



Digitized by the Internet Archive
in 2022 with funding from
University of Toronto

<https://archive.org/details/31761115492373>



64

F-32

F-32

ISSN 1180-4386

Legislative Assembly of Ontario

First Session, 41st Parliament

Assemblée législative de l'Ontario

Première session, 41^e législature

Official Report of Debates (Hansard)

Tuesday 19 January 2016

Journal des débats (Hansard)

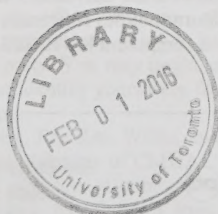
Mardi 19 janvier 2016

Standing Committee on Finance and Economic Affairs

Pre-budget consultations

Comité permanent des finances et des affaires économiques

Consultations prébudgétaires



Chair: Soo Wong
Clerk: Katch Koch

Présidente : Soo Wong
Greffier : Katch Koch



Assemblée législative
de l'Ontario
Première session 41^e législature

Legislative Assembly
of Ontario
First Session, 41st Parliament

Journal
des débats
(Hansard)

Official Report
of Debates
(Hansard)

Mardi 19 janvier 2016

Tuesday 19 January 2016

Hansard on the Internet

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. The address is:

<http://www.ontla.on.ca/>

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 416-325-3708.

Le Journal des débats sur Internet

L'adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance est :

Renseignements sur l'index

Adressez vos questions portant sur des numéros précédents du Journal des débats au personnel de l'index, qui vous fourniront des références aux pages dans l'index cumulatif, en composant le 416-325-7410 ou le 416-325-3708.

Hansard Reporting and Interpretation Services
Room 500, West Wing, Legislative Building
111 Wellesley Street West, Queen's Park
Toronto ON M7A 1A2
Telephone 416-325-7400; fax 416-325-7430
Published by the Legislative Assembly of Ontario



Service du Journal des débats et d'interprétation
Salle 500, aile ouest, Édifice du Parlement
111, rue Wellesley ouest, Queen's Park
Toronto ON M7A 1A2
Téléphone, 416-325-7400; télécopieur, 416-325-7430
Publié par l'Assemblée législative de l'Ontario

LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRS

Tuesday 19 January 2016

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Mardi 19 janvier 2016

The committee met at 0900 in Caesars Windsor, Windsor.

PRE-BUDGET CONSULTATIONS

The Chair (Ms. Soo Wong): Good morning. I'm going to reconvene the committee. Welcome to Windsor.

I just want to go through the routine for the witnesses before us. We have a teleconference this afternoon, so we need to be on time. And just before we recess for lunch, there's an outstanding item that the committee has to discuss before we can recess for lunch. I just want to kind of remind you.

Mr. Fedeli and Mr. Barrett, I was just saying that before we recess—

Mr. Victor Fedeli: Yes, we heard you. Teleconference.

The Chair (Ms. Soo Wong): No, no. Before we recess for lunch, there's an item that the committee needs to resolve, to give some direction to the staff. Okay?

CANADIAN MENTAL HEALTH
ASSOCIATION,

WINDSOR-ESSEX COUNTY BRANCH

The Chair (Ms. Soo Wong): I'm going to call the witnesses forward. The first group before the committee is the Canadian Mental Health Association, Windsor-Essex county branch.

Good morning. Welcome, ladies. I believe that before us are Colleen Campo, the Canadian Mental Health Association bereavement specialist, and Kim Willis, the senior manager of fund development and community engagement. Good morning, ladies.

As you've probably heard, there's a 15-minute allocation for your presentation, of which 10 minutes is your presentation, followed by five minutes of questioning. Because it's a new day, we are going to be starting this round with the third party. You may begin at any time. When you begin, please identify yourselves for the purpose of Hansard. Thank you.

Ms. Kim Willis: Good morning. I'm Kim Willis, and I'm just going to start by giving an overview of CMHA.

We are the lead provider and advocate of community mental health services. We achieve this through treatment, collaboration, education and community engagement. Our vision is "Mentally Healthy People in a Healthy Society."

In particular, we want to talk to you today about Bill 141 and our bereavement program.

Ms. Colleen Campo: Good morning. I'm Colleen Campo, and I'm a bereavement specialist at Canadian Mental Health. I've been serving at Canadian Mental Health for 13 years and in mental health services for almost 40 years. That tells you how old I am, kind of.

What I'd like to talk about is how many people we serve at Canadian Mental Health. As a bereavement specialist, my specialty is parents who have lost children. Perinatal loss has a quite significant impact on parents. We're looking at miscarriage, stillborn, and children under our perinatal are under the age of two. The bereavement program serves almost 600 adults and children annually. We have 1.8 staff—I happen to be the 0.8—who serve 600 adults. We have individual and group counselling.

We're really fortunate in the city of Windsor and Essex county, in that the program is 40 years old. That came when we had a tornado in Windsor in 1973 or 1974. We had this tornado in Windsor and there was a real need. Louise Allen went to her parish priest and said, "I need to be around other people." Eight people were killed in that tornado, and she said, "I need to be around other people." What happened was that the program started then when the church agreed to put a 12-cup pot of coffee on, and what ended up happening is that 250 people showed up at the church basement. That's when we knew that we needed bereavement services in our community.

Over the 40 years, we've become lead providers in complex grief. What we're doing at Canadian Mental Health is, we're really keeping people out of the hospital. We're supporting them. We're helping them get on with their lives and work through their grief.

In the bereaved parents of infants groups—that's loss under the age of two—we support 40 to 50 families annually, and many of them are couples. What we've done very uniquely there is start a program called "Memory Box." This came from me sitting on a committee, and what I did is that I teamed up with our local school boards. I got a provider who made kitchen cabinets—at the time, I was renovating our kitchen—and I asked this cabinetmaker if he would donate any scrap wood. I got the wood sent over to the school board and got the kids to do memory boxes. Those memory boxes went to the hospital, and when a baby died or there was a

miscarriage, people were able to put their items in this memory box. In turn, what I did was I went to the school and taught the kids about grief and the loss.

Now this project has really gone across the province. I get calls all the time from different hospitals on how to do this. We know how to do things with a little bit of money and a lot of co-operation, but what we do need are more funds to help us, not 1.8 staff. We need that kind of input.

Another thing that we do is a candle vigil every year where families—we're at year eight and we're going to do it again next year. We provide this candle vigil for parents, and they came out in the middle of December. It's a worldwide candle vigil, and we provide that for parents.

Each case is treated individually. If I can, I'm just going to pass this around. This is a picture of a dad with his little one about an hour before his child died. This is a family that I supported. This just gives you an example of how we think out of the box when we're doing services. This dad was a lawyer in Toronto, but his family lived here in Windsor. What we did was, with the grief counselling, he would bring that picture wherever he went. He went out of town for four days; he would bring the picture with him. His child died, like I said, about a couple of hours after that picture was taken. The grief work that that gentleman was able to do by having that picture was immense to the whole family.

I sit on a committee representing at the perinatal committee that's working with the hospital. We have pastoral care; we have all types of different people who sit on that committee and we try to make services better. This has been going on for 20 years. Our difficulty is in the funds. When you're dealing with—as I said before—1.8 staff, it's just not quite enough to get what we need. We run seven different support groups, so bereaved parents of infants are separated a little from the older children because the issues are quite unique.

What I'd love to see is another thing. We have a lot of parents who have their loss, the first or second pregnancy. I was just talking to Kim, and I said I would love to see us do some work with people so that they come to us when they're pregnant for the second pregnancy or the third pregnancy, so that we can keep them out of the hospital. Do you know how many times they go to the hospital to check the heartbeat because of anxiety? If we could be providing services up front, I could stop people having to go to the hospital. We could, as an agency, not have them keep going to check these heartbeats to make sure everything is okay, because we reduce that anxiety for these people. Those are some of the things we would love to see.

We'd love to see training for the hospital staff. We do training now: When a Baby Dies. We try to get donations to be able to do that. Often, many of us volunteer our time. It's called When a Baby Dies, and we're able to provide it to the nurses once every two years. What happens, then, is that the nurses have to take a day off of work without pay and come to this because there's no

money to do some of the things that we'd like to do. When a Baby Dies: The training that these people get is that they're taught to take pictures of the baby when it has died, and we do footprints. You'll see this; it happens across most hospitals. But we're always so limited in what we're able to do. If we could do more it would be better.

My goal is to keep people happy, as in our mission statement: happy, healthy, mentally healthy and well. By providing these services, that does that.

Another thing is, we use peer support. My bereaved parents group has almost eight volunteers who come and meet with me, so often I will have them meet with some of the family members and they will work with the families also. We're able to use volunteers. We have almost 20 volunteers, that are specialized and trained in bereavement, that help. So not only have you got just the 1.8 staff, but you've got the volunteers that are integral in what we do.

0910

I would just like to show you—I didn't bring you handouts, and I can't share too many of these, because I haven't gotten permission from some of the people. Over the 10 years, these are the thank yous. These are the thank yous from the families. You needed to see this. This is everybody saying, "I can't believe how you've changed my life. I can't believe how I went on."

I keep them. I don't think people need to read them, but I keep them. There are letters, long letters, about the impact that this program has on them. It's not a costly program. It needs a little bit more. But there are even CDs where people have used their grief work and written on the CDs, saying, "This is the music I use. You taught me this."

How I describe the work that I do: People always say, "How do you do this work? How do you sit with bereaved parents, day in and day out?" The way I describe it is, I hold people's joy until they're ready to take it back. They always come and they take it back, and that's because—

The Chair (Ms. Soo Wong): Ms. Campo, can you wrap up your presentation? I'm going to go to the questioning.

Ms. Colleen Campo: Yes. That is it. I hold their joy until they take it back.

Any questions?

The Chair (Ms. Soo Wong): Thank you very much. Ms. Fife?

Ms. Catherine Fife: Thank you very much, Colleen and Kim, for being here.

Ms. Colleen Campo: You're welcome.

Ms. Catherine Fife: You started off your presentation by referencing, of course, Bill 141.

Ms. Colleen Campo: Yes, I did.

Ms. Catherine Fife: MPP Colle's private member's bill received support from all parties, but now we have to make sure that that bill is actionable and it actually does what it intended to do. What we would like to hear from you specifically is—we've heard that you need more

staff. My question really is, are there other agencies or groups that are doing the kind of work that you do in the community? Because what it will come down to is who's going to deliver the services and how much funding is going to be allocated. There's no doubt that you are keeping people out of the hospitals. Dealing with complex grief, especially when children have passed away, is a specific talent that you have and that your organization has. Tell us what you need Bill 141 to look like and what it will mean for you in this community.

Ms. Kim Willis: We have been identified as leaders in providing bereavement services in the community—

Ms. Catherine Fife: By who? By the ministry?

Ms. Kim Willis: I don't know that it is by the ministry. The community has identified that.

Ms. Colleen Campo: Under Bereavement Ontario Network, which is an organization across Ontario, we often are called upon, numerous times, to consult for them. We're seen as leaders because we do different support groups on type of death. We are always forward-thinking, under best practices. We do a lot of training; we do a lot of research. That's how we're seen as leaders in the community.

In our community, there are bereavement groups that are run, not specific to type of death—so, hospice-run support groups, we'll say, with somebody who has died from cancer. Ours are specific to the type of death, so that the peer support comes from within their own peer group, which is really significant. Funeral homes provide support groups, but it's not long term and it's not with the individual counselling with master's-level social work or a bereavement specialist who is working on that.

Ms. Catherine Fife: What is your financial ask today of the finance committee?

Ms. Colleen Campo: Honestly, I would love to see— as a taxpayer, I don't want you spending my money without doing exactly what you're doing, so I'm grateful for that. As a worker, I don't use a pencil unless I have to, because I want to make sure these services—we need at least two to three more staff. Two to three staff would make a huge difference. If we didn't have to do a lot less—we're constantly doing more with so much less. We use our volunteers like crazy, but there's just no money for the training and everything.

Ms. Catherine Fife: Okay.

Mr. Taras Natyshak: Thank you so much for being here, and thanks for the work that you do in our community. How many people, or families, would you estimate that we're missing in this area, through the services that you provide?

Ms. Colleen Campo: Good point. I try to do six individual appointments on a person whose child has died. I need to support them for three years or two years, maybe monthly. I need them to be able to come back.

Mr. Taras Natyshak: Is there a cut-off for the amount of support that they receive?

Ms. Colleen Campo: No, not so much a cut-off—there used to be, but what we do is prioritize, or we see

less when we'd love to see more. We don't want to leave anybody behind, but we're forced to.

The Chair (Ms. Soo Wong): One minute.

Mr. Taras Natyshak: One minute? The preventive care post-mortem of a child: Are there any other agencies that are doing that type of work, or is this—preventive, between pregnancies—that seems like an intervention that is really important. Who else is doing that and what are the outcomes, or is this a novel thing from—

Ms. Colleen Campo: I think what's happening is, some people—I would say Healthy Babies are supporting within the region but not in the bereavement sense. They would help the mother, but not with the specialty of bereavement. So if we could—with the grief of the child that died and not have it.

For example, I work with a lot of families who have a set of twins; one of the twins dies, and now I'm working with that mother who has just had a new baby but she's grieving. There's this real complex issue of, "I have a baby that lived, but I have a baby that died."

Infertility is a huge issue—

The Chair (Ms. Soo Wong): I'm going to need to stop you here. Thank you very much, Ms. Campo and Ms. Willis. If you have any written submission, you have until Tuesday, February 2 at 5 p.m. to submit it to the Clerk. Thank you very much for your presentation and have a great day.

ELEMENTARY TEACHERS' FEDERATION OF ONTARIO THAMES VALLEY TEACHER LOCAL

The Chair (Ms. Soo Wong): I believe the next group coming before us is the Elementary Teachers' Federation of Ontario Thames Valley Teachers Local, Craig Smith, the president.

Good morning, and welcome. I believe the Clerk is coming around with Mr. Smith's presentation, folks.

Mr. Smith, as you probably heard, you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questions will be coming from the government side. You may begin any time. Please identify yourself when you begin for the purpose of Hansard. Welcome.

Mr. Craig Smith: Thank you. My name is Craig Smith and I am local president of the ETFO Thames Valley Teacher Local. We serve and represent about 3,300 elementary teachers who are employed by the Thames Valley District School Board. It's nice to be in Windsor. I came to teacher's college here, so it's nice to come home. The teachers we serve and represent are in London and then in the counties of Oxford, Elgin and Middlesex.

I just wanted to begin by thanking you for the opportunity to speak with you today and to thank you for the work that you do. I know that you hear that all the time, both here in the committee and in your constituencies, but it is appreciated and acknowledged. I must say, for the record as well, I did want to thank the Clerks of

the committee, because their communication to us was very clear, and their answers to our questions were done with good grace and good humour. And so, I thank them too; they did a terrific job.

I understand that our provincial organization will be presenting ETFO's provincial budget submission to you on the 1st of February. So not wanting to steal their thunder, what I have presented for you today for your consideration is the Building Better Schools document, and that is ETFO's education agenda and education platform. What I'm going to share with you really are our platform highlights, and there are six building blocks for better schools. I'm going to go briefly over those, and then the budget recommendations that flow from that. So there is a mix of some provincial and some local perspectives, and then we'll take questions, if you have any, at the end of that.

As I mentioned, there are six building blocks for building better schools. The first in your package refers to smaller classes for all elementary students. Class size is a big, big issue for elementary teachers throughout the province, and in Thames Valley no less than anywhere else. We would look to ask for a reduction in class sizes in grades 4 to 8 and in full-day kindergarten, to enhance activity-based learning and positive social interactions among students and to maximize individual attention from teachers.

0920

Our recommendations are really three. To maintain the existing primary class size caps in grades 1 to 3—those have been of great benefit to both teachers and students in those grades. But we recognize that they have put pressure on the junior and intermediate grades, and we're finding increasing class-size pressures in FDK classes. So we would like to see the primary class cap maintained and the implementation of a hard cap in FDK at 26.

We have a class size average right now in Thames Valley, as we do province-wide, which means that we have classes over and above 30, and that is a difficult situation for FDK. We feel it undermines some of the really positive implications of the FDK program.

The first recommendation is a hard cap in classes from grades 4 to 8, in junior classes. It's interesting that you'll have a grade 8 class with 35 or 36 students, and then those students go into secondary classes of 21 and 22 the next year. It is a real implication for both students and teachers in the class size piece.

The second deals with EQAO. We're looking for making student assessment of learning more meaningful. One of the things you are no doubt aware of is that ETFO has a fairly strong position regarding EQAO. We are suggesting that EQAO move from a standardized provincial test to a random sample model akin to what's used in Manitoba.

The recommendations are specifically that we would require EQAO to move to a random sample model for testing of students and establish a moratorium on all EQAO and LNS-related initiatives. There's a reason for that: Those are achievement-driven to improve test

scores, and often have very little to do with student learning. We would like to see a better alignment in the model and what's being done with the initiatives that support the testing model.

Any savings that came from a trimmed-down EQAO or a trimmed-down initiative model should be accrued and reinvested back into the education sector. We're not looking, in that case, for more money; it's simply reallocating funds that already exist and using them to better purpose.

Our third point deals with specialist teachers. We do believe it's important that all teachers and students are able to access teacher-librarians and specialist teachers, particularly in the arts, design and technology, guidance, and physical and health education, to provide balanced and enriched programming for elementary students. We've made no specific recommendations there because we think that speaks for itself.

There has been a pressure on the elimination of specialist teachers on the elementary panel, and that is becoming hugely problematic given the complexity of the educational things and educational expectations that students will be expected to find in secondary and post-secondary education.

The next point really is a critical one for us, and we think it really is a crisis point in the education system. We are recommending more resources for students with special needs, not only to expand their opportunities but to provide meaningful support for the teachers who have to care for and educate these students.

There are some specific recommendations that we have in this area: provide appropriate training and resources to support teachers with the growing special needs population. In Thames Valley, for example, the board says that it has not cut spec-ed funding. In fact, it does allocate more than its budgetary grants to that, but need is outstripping the supply. So we have a problem. Regardless of the good intentions of the board and the support that they provide, our needs are simply being outstripped. That needs to be addressed critically.

We are also really looking for an expansion of funding for English-language learner programs and support for ESL teachers. This is an ongoing problem. This file gets cut almost every year. We all know that we have the normal patterns of immigration that put demands on the system for English as a second language and support for ELL learners—all the more thrown into relief, particularly in Thames Valley, London and the surrounding areas, with the influx of Syrian refugees. This is putting huge demands on our ESL teachers and the ELL system, so we would look at some consideration for reallocation of funds there.

To have school boards actually be required to spend their full allotment for ELL: It isn't sweated as strongly as it might be, and we think that it should probably be more sweated so that it would be allocated appropriately where that need is.

Lastly—and this is really a local one. We know that our colleagues in greater Essex have done this: a require-

ment that would have teacher representation and education worker representation on special education advisory committees. Right now, there are trustees, superintendents and principals, but no teachers, no EAs, no ECEs—no one else. We are the front line when it comes to supporting spec-ed students, and it would probably be appropriate to have a more formal voice in those committees. As I say, it's a one-off in Essex. We think it should be province-wide.

We are mindful of the economic situation in London and St. Thomas, very much akin to areas in Windsor and greater Essex, in terms of the devastation in the manufacturing sector. We see that every day in our classrooms. We have made some recommendations there around the minimum wage: that it be increased to \$14 and indexed to inflation; that there be a meaningful commitment to affordable housing units for low-income tenants; and expand the number of high-quality child care spaces. There seems to be a sense that now that we have FDK, that has taken some of the pressure off the child care piece, and that isn't the case. There still is a need for affordable, high-quality child care, regardless of what we've done in terms of FDK.

As a strong union voice, we are partners in all of this, and we think it's important that unionized teachers and education workers are able to speak out on behalf of the students in our care and the system that we so strongly support. We've made some key recommendations here that the education unions, ETFO being one of many voices, be seen as full partners in discussions around implementation of education reform. It needs to have teacher and education worker voices at the ground floor if we're going to make any changes that are meaningful and of long-lasting benefit.

Lastly, that we allocate funding for health and safety training to principals, who are the leaders in our schools, and educators to ensure that school boards meet the requirements of the Occupational Health and Safety Act and the Education Act. There is a sense that we get from the Ministry of Labour at times that, "Well, we're just schools," although we are defined in the industrial sector. We think there should be some resources there to support the work that we do.

The Chair (Ms. Soo Wong): Mr. Smith, I need to stop you here. I'm going to turn to the government side to start this round of questioning. Ms. Hoggarth?

Ms. Ann Hoggarth: Good morning. How are you, Craig?

Mr. Craig Smith: I'm fine, Ann. How are you?

Ms. Ann Hoggarth: It's nice to see you again.

Mr. Craig Smith: Nice to see you again.

Ms. Ann Hoggarth: On behalf of the government, I'd like to say how much we appreciate what all your members do for the children and students in our province. It's no wonder that we have such a wonderful education service that we have great results coming from that. All of the things that you've talked about, of course, are important to this government as well. I congratulate ETFO on the recent bargaining and us finding a solution that would work for both sides.

I thank you very much for your presentation. As you know, I sat in the spot you were in for many years. You thanked us around the table, and we seldom get that. I want to thank you because I know that the union leaders seldom get thanks. Thank you very much.

Mr. Craig Smith: Thank you, Ann. Full disclosure: Ann and I actually shared space on annual meeting floors over a number of years in our local activities. So thanks, Ann. Much appreciated.

Ms. Ann Hoggarth: Thank you very much, Craig.

The Chair (Ms. Soo Wong): Thank you very much, Mr. Smith, for being here and also for your written submission. It's very much appreciated.

Mr. Craig Smith: Thank you very much.

The Chair (Ms. Soo Wong): You have a great day.

MOTOR CITY COMMUNITY CREDIT UNION

The Chair (Ms. Soo Wong): We now have Motor City Community Credit Union and, I believe, Mr. Charles Janisse. Welcome. Good morning.

Mr. Charles Janisse: Good morning.

The Chair (Ms. Soo Wong): As you probably heard, you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from the official opposition party. You may begin any time. Please identify yourself for the purpose of the Hansard.

Mr. Charles Janisse: Thank you, Madam Chair and committee members. It's a great pleasure to be here today. My name is Charles Janisse and I'm the CEO of Motor City Community Credit Union. We are based right here in Windsor, Ontario. I am proud to say that Motor City has been serving our community and our members since 1938.

I'm here today because I believe that Ontario credit unions are in a unique position to help grow the economy and create jobs in Ontario. That's because our focus is on local prosperity. Our goal is to improve the financial well-being of families, local businesses and community organizations in Windsor and Essex county. We invest resources in our local community where our credit union members live and work. While other financial institutions focus on providing profits for shareholders, the credit union's purpose is to provide service to our members and the community, helping them reach their goals.

0930

Our members include over 200 businesses that are financed directly by Motor City Community Credit Union. Many of these businesses turned to the credit union during the last recession after the banks turned them down and all but left our community. These businesses are thriving today and employing many people in our community because of Motor City.

Our membership also includes people who have imperfect credit because of a divorce or other financial hardships, and who have been turned down by the big banks for a mortgage or loan because they may not fit

into the banks' limited lending criteria. Now, I don't want you to get the idea that all of our members are in distress. We serve 12,000 people in Windsor and Essex county, and they put their trust in Motor City to help them meet their needs, because we, essentially, put their needs first.

A recent example of this is an elderly member who could no longer manage her home and was moving in with her children. Her home was mortgaged with the credit union and instead of selling the house herself, she decided to walk away from her home and turned the keys into the credit union. We put the house up for sale and received an offer that would have paid out our mortgage, but left very little beyond that. We could have easily taken the offer and justified the price, but this would not have been in our member's best interest, so we held out and negotiated a price that not only paid off the mortgage but also returned almost \$10,000 to the member following the sale.

As credit unions, we are owned and governed by our members, by the people who have decided a co-operative business model would generate greater mutual success in everyone's interest. Credit unions as a whole are a large and growing player in the Ontario economy. You may hear these stats more than once over the next couple of days and during your consultations, but as of November 2015 Ontario credit unions that are class A members of Central 1 had total outstanding loans of \$34.1 billion; \$20.8 billion in residential mortgages; \$9.8 billion in commercial mortgages and loans; \$1.4 billion in agricultural loans; and \$32.3 billion in total deposits. We are a part of this group of credit unions, and we are growing every day.

I'm also here because, as you know, this has been an important year for credit unions. The legislation that regulates us has been reviewed, and we are expecting to hear the results of that review any day. Our policy submissions to the current government have encouraged Ontario money to be reinvested back into Ontario. That's what we do, and we pride ourselves on the diversity in our system, serving members with different needs.

Financial services face global competition for investment and talent. To continue on a path of growth, benefiting businesses and families in our community, credit unions will need to explore new ways of differentiating ourselves and capitalizing on opportunities in order to have a sizable impact in the community going forward. The credit union system is at a bit of a crossroads.

I want to take a moment to reiterate a few opportunities that are of particular interest to us. First, credit unions pay premiums on deposit insurance, and the cost of these premiums, much like your own car insurance and home insurance, is tied to the amount of coverage we have. Presently, the insurance premiums in Ontario are based on \$100,000 worth of coverage per member. This is the lowest rate of coverage for credit unions anywhere in North America. New Brunswick, Nova Scotia, and Newfoundland and Labrador each have a \$250,000 limit,

while every province to the west of Ontario has unlimited deposit insurance for credit unions.

Banks also have \$100,000 of coverage, but that is based, per account, with each subsidiary, meaning that banks can double- and triple-up on insurance by holding customers' funds in different subsidiaries. They also operate extra-provincially, meaning that there's no guarantee that the deposits made in Ontario will stay in Ontario. Raising the level of the deposit insurance to \$250,000 per member would encourage more deposits to be kept in Ontario with local institutions and level our competitive playing field.

Secondly, we think it makes good sense for municipalities, universities, schools and hospitals to keep deposits with local financial institutions. These funds, when held locally, work to create jobs in the communities where they are needed the most. We believe that unlimited deposit insurance on MUSH sector deposits will help to level the playing field, giving credit unions the opportunity to attract these deposits, and also giving municipalities, universities, schools and hospitals the opportunity to further invest in their communities.

Finally, we wish to applaud the government of Ontario for not raising the provincial tax rate on credit unions, as was done by the federal government in 2014. Today I want to strongly encourage you to maintain the present tax rate. Because credit unions are capitalized differently than banks, we estimate that if the provincial tax rate were increased in line with the federal rate, it would result in a decrease of \$266 million in loans to households and small businesses in Ontario. These loans often mean money reinvested back into our local community, creating jobs where they are very much needed.

Our time is short here today. I will leave it at that. The credit union difference is all about service, putting the needs of our members and the community first. This means driving community and economic impact as well as pioneering innovative approaches to banking. With these changes I've outlined today, credit unions will be better positioned to work together to build a greater awareness of the co-operative values and the unique differences that make us an integral part of the Ontario economy.

Thank you for your time and consideration, and I'm happy to answer any questions.

The Chair (Ms. Soo Wong): Thank you very much. I'm going to turn to Mr. Fedeli to begin this round of questioning.

Mr. Victor Fedeli: Thank you very much, Mr. Janisse, for an excellent presentation. I also want to say thank you for the role that the credit union plays in communities across Ontario.

You had presented some scenarios about the \$100,000 and those types of things. Would there be any cost to the taxpayers in Ontario for any of those items that you're outlining?

Mr. Charles Janisse: No. Our deposit insurance is self-funded. It totally comes from credit unions, so the impact on taxpayers would be neutral.

Mr. Victor Fedeli: So why do you think that hasn't happened, then?

Mr. Charles Janisse: Political will? The banks are opposed to it. There are probably some insurance companies that are opposed to it as well. They don't necessarily have the best interests of credit unions or anybody but their shareholders at heart, so that might have something to do with it. I know that in other provinces, as I mentioned, the rate is substantially higher. It would be very nice for Ontario to take a similar approach, and we would be able to attract further deposits and reinvest those deposits directly into our communities.

Mr. Victor Fedeli: And again, your shareholders are your members?

Mr. Charles Janisse: They are, yes.

Mr. Victor Fedeli: One hundred per cent?

Mr. Charles Janisse: One hundred per cent. You have to be a member of the credit union for us to provide services to you. To become a member, you invest in the shares of the credit union.

Mr. Victor Fedeli: We had a presentation yesterday from one of the credit unions in Hamilton, so I'm going to ask you the same questions, basically, that I asked there.

When a municipality has a tax sale and you want to buy a piece of property from that municipal tax sale, today you cannot bring your cheque from a credit union. Do you have any idea about the history of that or why that is or your ask, if you will?

Mr. Charles Janisse: It would certainly be very nice if municipalities changed that and put us on an equal footing. We find that that type of discrepancy between banks and credit unions is random and arbitrary and does nothing to improve the image of credit unions; it actually is negative towards the image of credit unions in Ontario. It essentially treats us as second-class citizens. If municipalities were able to change that, that would certainly be helpful to credit unions and our reputation and image in our communities.

Mr. Victor Fedeli: And from a functionality point of view as well. I live in northern Ontario, and in some communities you're the only act. You're it.

Mr. Charles Janisse: Yes.

Mr. Victor Fedeli: Imagine having to leave your community to go to get a bank draft, and you have to come back to your community to buy something from your community.

Mr. Charles Janisse: Yes. It certainly makes no sense.

0940

Mr. Victor Fedeli: My final question is about the Ontario Registered Pension Plan. You have clients who are businesses. What would your philosophy be or your thoughts be on the effect to these businesses of the pending ORPP?

Mr. Charles Janisse: Our concern is, it would be taking money away from the businesses to pay for premiums. Many of the businesses in Ontario, and in Windsor specifically, already have self-directed RSPs

and the like that may or may not qualify. Taking money away from these businesses would certainly not help create jobs. It could potentially have the opposite effect and would be a hardship, or a potential hardship, on businesses.

I know Motor City is currently in negotiations with our unionized employees, and we're having to make changes in our union contract to compensate for these additional costs to the credit union. It may not affect jobs in our specific interests, but I know, from talking to other credit union business members, that they definitely do have a concern with regard to that.

Mr. Victor Fedeli: Thank you, Chair.

The Chair (Ms. Soo Wong): Thank you very much. If there's any written submission, Mr. Janisse, can you make sure you submit it to the Clerk by February 2 at 5 p.m.? Thank you very much for your presentation.

Mr. Charles Janisse: Thank you.

SUN COUNTY LYME AWARENESS SUPPORT GROUP

The Chair (Ms. Soo Wong): The next group before us is the Sun County Lyme Awareness Support Group. I believe the Clerk has the written submission coming around.

Welcome. Good morning. I believe you're Cheryl Abbate. As you probably heard, you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from the third party.

You may begin any time. Please begin by identifying yourself for the purpose of Hansard. Thank you.

Ms. Cheryl Abbate: Thank you. My name is Cheryl Abbate. I'm a co-founder of a Lyme disease support group, and a Lyme sufferer.

Good morning, and thank you for providing an opportunity for the public to suggest ideas for potential inclusion in the 2016 provincial budget.

The Lyme community is very familiar with the passage of Bill C-442, the Lyme disease strategy, a private member's bill submitted in 2012 by Elizabeth May, leader of the Green Party.

After its passage in 2014, the province of Ontario entered a bill, Bill 27, regarding emerging vector-borne illnesses. This, of course, includes *Borrelia burgdorferi*, the causative agent of Lyme disease. The bill was ardently supported by all parties, and Toby Barrett and Michael Mantha as well as Rick Nicholls, from my own riding, deserve great credit for championing our cause.

To all of you, we offer a heartfelt thank you for the unanimous passage of Bill 27. Because a committee has been created which is working to arrive at new and more effective strategies for dealing with Lyme disease, among other illnesses, we are not suggesting more research or better diagnostic and treatment options at this time. Those issues will be among the topics discussed and, hopefully, settled by the committee.

A walk in the park should not be a debilitating experience, yet this is what many Ontarians do experience.

What we would like to suggest today is the need for more prevention, awareness, surveillance and education about this disease.

In my own case, I was bitten by a tick at Point Pelee National Park in March 2007. There was no signage whatsoever in the park regarding Lyme disease. I knew little, if anything, about the illness at the time, but unfortunately, I live with it now every day, as too many others do, and know first-hand the devastation it causes.

Signage: This is one thing we would like to see changed. There needs to be signage regarding ticks carrying Lyme disease so the public can be made aware prior to venturing into tick habitats, so they know Lyme is a potential threat. These signs should explain how to protect oneself from Lyme disease while entering these areas: for example, by using DEET at 20% or higher; tucking pant legs into socks; and doing a thorough tick check following these walks, including checks of pets that may have joined in.

The signs should also teach proper tick removal. This is to ensure that the ticks are not removed in such a way as to squeeze the abdomen, thereby expelling the contents of the tick into your bloodstream.

We would also suggest that the signs explain acute and early signs of the disease, including the ER or bull's-eye rash, although the rash does not only present in a bull's-eye form, if a rash develops at all. Many—in fact, less than half of those infected—will ever display a rash. Fever, headache, and body aches are often present during the acute stage, as well. In this current day of immigrants and refugees, and given the seriousness of this infection, it may be most beneficial to have the signage in several languages, in addition to our bilingual tradition.

There's quite a bit of conflicting information out there regarding endemic areas. Since Point Pelee is a self-proclaimed endemic area, we are concerned with why Wheatley Provincial Park, only a few miles away along the Lake Erie shoreline, is able to declare they have no black-legged ticks. Wheatley Two Creeks Conservation Area, one mile away from there, is infested with ticks. We're concerned that adequate surveillance is not being accomplished in these areas.

The topic of signage is a matter of concern that is also mentioned in the Ontario Health Protection and Promotion Act. This is under the responsibility of the Minister of Health and local medical officers of health. We're concerned, then, why it is that effective warning signs have not been erected. None of the parks or conservation areas mentioned here currently have any signage warning of ticks or the potential of Lyme disease. This is not serving the public well.

Surveillance: In order to advise the public on known areas of Lyme-carrying ticks, proper surveillance must be done. This may include dragging and flagging in areas known or suspected to have these pathogen-carrying ticks, or performing live trapping, which is more effective in random areas for determining an active black-legged tick population and whether or not they carry the Lyme disease pathogen.

We have learned that often there is not enough funding available to provide thorough surveillance initiatives. If this were to change, and thorough surveillance were achieved, the province could better warn and protect the public from an illness that is debilitating when not caught early.

Veterinarians know the disease is well on the rise. When they map the areas of reported cases of Lyme-infected pets, these same areas have Lyme present for the human population as well.

It should also be considered that the results of the surveillance initiatives be made easily available to the public. Doctors' offices or clinics in noted endemic areas should have this information posted in plain view. The symptoms they present with while visiting their doctor could very well be the result of an active Lyme infection. In addition to signage placed at the appropriate sites, the public needs to be made aware. Lives depend on it. Billboards and TV ads would be very useful and proactive in giving highly visible warnings to the public.

Boards of education: Throughout Ontario, the boards of education, separate and public, should be aware of the potential threat of Lyme disease when sending students on class trips to nature areas. The boards should advise teachers and send notices home to parents regarding these educational field trips with advice on how to prepare the students for a trip into tick territory.

These notices should include mention of the importance of using DEET, tucking pant legs into socks, wearing long sleeves and hats, proper tick removal and how to perform appropriate tick checks. The notices should also mention what to look for in their students following such outings. Teachers involved in the outings should also ensure that students have adequately prepared, by ensuring the students have used DEET, tucked their pant legs into their socks, etc.

There is a reason I have mentioned the onus on boards of education. Here in our own county last year, an anonymous donor provided funding for all of the elementary schools in the county to go on class trips to Point Pelee National Park, a known Lyme-endemic area. Keep in mind that we are not suggesting that exceptional donations like this be discouraged, but that outings to these areas be done with appropriate precautions taken.

Following this particular trip, where there were no notices given to parents about what to expect, a kindergarten student presented with a bull's-eye rash, always a positive indication of the presence of Lyme. We only heard about this one child from one school, but in our county, where 93 schools enjoyed a class trip to the park, that could have meant 93 lives ruined because of no measures taken against contracting this insidious illness.

0950

The seriousness of Lyme disease must be recognized and appropriate precautions taken by all school boards across the province. The lives of our students, as with all Ontarians, matter, and this issue should be paramount.

In closing, I would like to thank you for allowing me to call your attention to a disease that can cut you off at

the knees. If we have prevention, awareness, surveillance and education as our only usable tools at present to battle this monster in Ontario, we need to use them now to the best of our ability. Protecting the public depends on it. If any of these preventative measures are considered, that would be a positive step; if all are considered, even better. Thank you.

The Chair (Ms. Soo Wong): Thank you very much for your presentation. I'm going to Mr. Natyshak to begin this round of questioning.

Mr. Taras Natyshak: Thank you, Cheryl, for your work. Thank you for your advocacy and the effort that you've put into the issue. Many members here at committee took part in the Lyme association campaign last year, the Lyme Sucks campaign. We were all given

limes—

Ms. Cheryl Abbate: It is true: Lyme sucks.

Mr. Taras Natyshak: Lyme does suck, and it definitely put a bad taste in our mouths. But it put an emphasis on, really, the devastating nature of Lyme disease and the toll that it takes on individuals and families, so thanks again for doing that. Continue that work, because it informs us in the Legislature. Our hope is that all the points that you've raised today become part of a province-wide strategy. That was something that was called for, in a motion that was passed unanimously, by our colleague Mike Mantha. You referenced him.

Ms. Cheryl Abbate: That was on June 1.

Mr. Taras Natyshak: On June 1; that's right.

The signage and the prevention: That just makes sense to us, and I'm sure the public at large would like to be informed of any imminent threat to their health. Do you know of any other jurisdictions in other provinces, perhaps, that have signage specifically for Lyme awareness in endemic areas and how that has worked out?

Ms. Cheryl Abbate: I am not aware of any signage visible in any known tick-endemic areas at this point. That would probably be—the best line of defence is the prevention. I would like to see that too, anywhere. It should just be standard practice that if you're entering into an area where ticks are known to be, you should be on the lookout for this, and also be educated as to what to do should you be bitten: as I was suggesting, the instructions for proper tick removal, etc.

Mr. Taras Natyshak: I believe that we post warnings or at least deliver information for visitors to provincial parts of any other imminent threats. At Point Pelee, the undercurrent has been a known risk for a long time, and I know that there is signage there. It would stand to reason that we would inform visitors of all potential threats.

Ms. Cheryl Abbate: At Point Pelee, I believe, when you go through the entrance, there's an area that you have to pull off to the right and there's one massive billboard where there is a tiny section mentioned in the bottom left-hand corner. However, when you first enter the park, you're not obligated to pull off into that area, in which case it would not make it easily visible. I do know that in the past, when I have been at the park, there have been recommendations to stay on the paths. That is a good thing, but it doesn't tell you why you should not

venture off or mention the danger of Lyme disease at any other point in the park.

Mr. Taras Natyshak: And ultimately, the larger issue is in supporting and providing treatment for those who are infected by Lyme disease. I know that through our office—and I assume that other colleagues hear stories of folks who require treatment and are left with no options in the province of Ontario. In fact, physicians who attempt to treat people with Lyme disease are reprimanded in some cases. Again, ultimately these families and individuals have to seek treatment in the United States or even Germany, where treatment is an option and has proven to be successful in some cases.

So you certainly have my support in advancing our coverage here within the province to support folks with Lyme disease.

Ms. Cheryl Abbate: We appreciate that and we appreciate your support as well.

The Chair (Ms. Soo Wong): Ms. Fife, do you have any questions? Thank you very much for your presentation and thank you for your written submission as well. Have a great day.

Ms. Cheryl Abbate: Thank you so much.

CORPORATION OF THE CITY OF WINDSOR

The Chair (Ms. Soo Wong): I believe the next witness coming before us is the Corporation of the City of Windsor, and we have a large delegation. Welcome. I think the Clerk has your written submission so he's coming around with the presentation. I will just say, gentlemen and lady, as you're coming around, can you each introduce yourself for the purposes of Hansard, as well as your position with the city of Windsor so that we all know who you are. As you heard, there will be 10 minutes of presentation followed by five minutes of questioning. In this round, questioning will be coming from the government side. You may begin at any time and please, again, identify yourself for the purposes of Hansard. Thank you.

Mr. Onorio Colucci: Thank you. My name is Onorio Colucci. I'm the chief financial officer for the city of Windsor. I certainly want to thank the committee on behalf of Mayor Dilkens and all of city council for the opportunity to present. I want to welcome you all to Windsor.

I'll take a minute now to have each of our committee introduce themselves, starting with Jelena Payne on my left.

Ms. Jelena Payne: Good morning. Jelena Payne, commissioner, community development and health for the city of Windsor.

Mr. Bruno Ierullo: My name is Bruno Ierullo. I'm the executive director of employment and social services for the city of Windsor, and we also service the county of Essex.

Mr. Rob Oleynik: Rob Oleynik, social housing administration, city of Windsor.

Mr. Mark Winterton: Mark Winterton. I'm the city engineer for the city of Windsor.

Mr. Onorio Colucci: Our presentation will be rather brief. We have detailed notes that were passed around, so in the interest of time I'll keep my comments brief and we would be glad to take any questions to the team as well.

My presentation is going to touch on four main themes, those being economic development, Ontario Works issues, housing infrastructure issues and overall infrastructure needs.

On economic development, Windsor has gone through some significant structural changes in our economy over the last decade. We have been dealing with high unemployment—amongst the very highest in the province as well as the country. In response to that, our city council has developed certain initiatives that have helped in that regard: for example, a city-wide community improvement plan which aims to provide rebates of up to 100% of the incremental property taxes for any new investment. We've also practised fiscal restraints which have driven our taxes for properties well below the provincial average for similar municipalities.

What we'd like to ask the province is to develop readily available joint incentive programs with an emphasis on these programs being prompt and timely in response to opportunities. While there are programs, it's our experience that it takes time to access these programs and, in the very competitive field of economic development, especially as it relates to some of our neighbours across the border, that is a significant competition for the city of Windsor. That readiness and timeliness is critical.

These can take the form of start-up grants, tax abatements, employment and especially employer on-site training. As I mentioned, given our proximity to our neighbours north of us—as it stands, with Detroit being north of Windsor—it's very important that these programs be available at a moment's notice.

1000

The second theme I'd like to talk about is Ontario Works. We understand that there's a consolidation of employment-related benefits which is being considered as part of the Brighter Prospects report. Our understanding is that it will be a benefit in the range of \$1,200 to \$1,800 per year compared to the current \$3,000 per year for employment-related benefit expenses. Though we welcome the consolidation, we have some concerns in terms of the level. As well, we urge the province to continue stable funding for Ontario Works on a per case basis as well as the 50-50 allocation distributed by caseload for administration of the program. We'd also like to ensure that municipalities get reimbursed 100% for the costs related to the implementation of the SAMS system, which we know has had some significant growing pains.

The third theme is housing infrastructure. Windsor-Essex, being an older municipality, has some of the oldest public housing stock in the province. Given the noted challenges with our economy, it's clear that we

need some help in terms of funding for this important service in terms of modernization and, in fact, adding to the housing stock to alleviate the significant waiting times that we currently are experiencing.

My final theme is infrastructure in general. This is probably not something new for this committee; I'm sure you've heard that across the province. In Windsor especially, being an older municipality with significant infrastructure—some of our sewers, for example, are 100 years old—it's clear that we need some senior levels of government funding to achieve reasonable service levels from these aging assets. We've certainly done our part. We are spending record amounts on infrastructure, roads, sewers and the like, but it's clear that relying on the property tax base locally is not sufficient, in our view, to ensure that infrastructure remains viable and provides significant service to the citizens.

That is my presentation. Certainly, as a financial person myself, I realize the financial challenges of the province, but I urge you to consider some of those comments. Thank you.

The Chair (Ms. Soo Wong): All right. Thank you very much for your presentation. I'm going to turn to Mr. Milczyn to start this round of questioning.

Mr. Peter Z. Milczyn: Good morning, Mr. Colucci and your colleagues. Thank you for your presentation today and thank you to the city of Windsor for being able to host us in the matter today. It's always great to be in Windsor.

Mr. Onorio Colucci: Glad to do it.

Mr. Peter Z. Milczyn: Certainly, being from a municipal background for many years in the city of Toronto and my background in architecture, I look around Windsor and I see a city with great bones and a city with great potential. I understand the economic concerns that exist in Windsor and the region, not of the municipality's making, and you're doing your best to address them.

In terms of the infrastructure funding which the province has been able to provide on an ongoing basis to the city of Windsor, how have you been managing to allocate those funds? Have you been able to prioritize them, use asset management plans to manage your assets, figure out what needs to be done first and leverage other partnership opportunities for funding?

Mr. Onorio Colucci: Yes. That's a great question, and I thank you for that. Certainly, as I mentioned before, the city of Windsor is spending record amounts on infrastructure. We've more than doubled the annual infrastructure funding in the last decade—not all of that strictly from the municipal point of view. Certainly things like the gas tax, both the federal and provincial components, have played major roles, but also in terms of our own initiatives. We implemented a capital funding levy in 2002 and a debt reduction levy in 2004, which have increased our funding dramatically to the tune of about a \$40-million base increase over that time, as well as reducing our overall debt levels from \$230 million to the current \$100 million.

Certainly a lot of money has been spent. We've done formal asset planning. We just reported to council, for example, on a 20-year plan for our roadway system, and it's clear that we've increased the funding tremendously. It's still not enough to achieve significant stability in our service levels or increases in those areas that are needed.

Mr. Peter Z. Milczyn: Those are all great strategies which you've adopted. Certainly, lowering your debt levels, which creates more capacity to do more work—that's great—and using asset management plans.

The massive infrastructure investment, beyond purely municipal infrastructure—the Herb Gray Parkway and the Gordie Howe bridge: I understand that the big hurdles on the other side of the border have been tackled now, so that project can go ahead. Has your municipality been doing some planning work to look at the lands abutting those major expressways, those initiatives, to use that investment, the ability to flow goods across the border better, to create economic development opportunities for new buildings, new employment in the city of Windsor?

Mr. Mark Winterton: Maybe I'll try that one. We've got some comments in the submission here. We certainly are working, both from a planning point of view and from a transportation point of view, to leverage the work that's being done as part of the Herb Gray Parkway. One of the challenges we have is the issue of connecting links and the issue of all of the transportation and the trade that goes across the border here, as it relates to the city and the pressures it puts on the city—a 200,000-person-plus-or-minus city.

We have an undue amount of stress on, for example, Huron Church Road, our adjacent parkways and the connecting links that we have. That's something that's in the submission, but it's an important thing. We certainly are aware of it, and we're leveraging it. We're trying to, as part of the asset management plan—the actual physical infrastructure and then the long-range planning—leverage those corridors and what we can do. So, yes, we have a fairly robust plan for all along there.

Mr. Onorio Colucci: Maybe I can add to that too, although I touched on it in my presentation. In addition to the specific corridor that you speak about, we've also taken steps across the municipality in, I would say, two main ways. One is our community improvement plan, which is available to existing businesses and new businesses coming into the city, where, if they meet certain criteria, we will refund 10 years' worth of property taxes up to the amount that is being invested in the community.

The other thing is that our fiscal restraint/debt reduction efforts, which as you rightly said have allowed us the flexibility to reinvest interest charges into infrastructure and other programs, have allowed us to reduce our tax rates. According to the BMA study, which is an independent study done across the province, in 2004 we were higher than the provincial average in nine of 11 categories. Now we're lower than the provincial average in eight of those 11 categories. So it has been a combined effort.

Certainly the biggest challenge for us has been the historic structural change in our economy. As you know, Windsor has been traditionally a very heavily manufacturing city, and that sector of the economy has been taking some challenges across not only Windsor but North America and really across the world.

1010

Mr. Peter Z. Milczyn: One of the things that the government is looking at, beyond the pure physical infrastructure of roads, bridges and so on, is the infrastructure of the future economy, which is broadband access. In Windsor, in your region, is there good Internet connectivity? Is there good broadband access? Or is that an issue that is of concern to you? That obviously is crucial to the economy of the future.

Mr. Onorio Colucci: That's right. Certainly, as I've said, we've been in this structural change. I agree with you that the new world infrastructure is very important. Certainly, there have been significant investments in broadband connectivity in Windsor and Essex county. Certainly, more is always possible, but we think there has been significant investment in that sector, for sure.

Mr. Peter Z. Milczyn: My final question: You mentioned in your submission, around housing—and the Honourable Ted McMeekin is working on a Long-Term Affordable Housing Strategy. I think we all acknowledge that that's something that hasn't received the attention it needed. The rescission of federal funding and the federal government removing itself from that was a huge blow. Now, with the change in Ottawa, it looks hopeful.

Do you have any advice that you can provide to us for the 2016 budget on what an affordable housing strategy might look like?

Ms. Jelena Payne: I'll start, and then maybe my colleague Rob Olenik can take over.

We have had meetings, both at the city of Windsor and in the county, with Minister McMeekin. We have implemented a Housing First model. The initial reaction would be, I guess, to continue to work with the federal government, especially the new federal government that has been elected, and to continue to lobby for funding and efforts for housing infrastructure. We've kind of seen the perfect storm here in Windsor, where we've seen the economic decline and, with that, we've seen increases in Ontario Works and also in the need for affordable housing. We've seen over a 50% increase in the past five years in the need for affordable housing in our community.

In addition to the declining infrastructure, we have some great programs that are currently in place. We have a rent supplement program. But our housing stock does continue to decline in infrastructure efforts. So I would say that with the new government, any additional lobbying efforts, any additional partnerships that could happen, moving forward, I think we need to see in the future—

The Chair (Ms. Soo Wong): Okay, I'm going to just stop you there, Ms. Payne. Thank you so much for your written submission for the entire city of Windsor and also

for your presentation today. If there's any additional information you would like to submit, you have until February 2 at 5 p.m. Again, thank you for being here and thank you for your submission.

HOSPICE OF WINDSOR AND ESSEX COUNTY

The Chair (Ms. Soo Wong): The next group before the committee is the Hospice of Windsor and Essex County Inc. The Clerk is coming around with their written submission.

Welcome, Ms. Derbyshire. Good morning, and welcome.

Ms. Carol Derbyshire: Good morning.

The Chair (Ms. Soo Wong): As you probably heard, you will be speaking for 10 minutes, followed by five minutes of questioning. This round of questioning will be coming from the official opposition party. You may begin any time. When you begin, can you please identify yourself for the purpose of Hansard? Thank you.

Ms. Carol Derbyshire: Thank you, and good morning. Welcome to Windsor. Thank you for allowing me to present to the committee today on behalf of the Hospice of Windsor and Essex County and in support of the Hospice Palliative Care Ontario application for increased funding for hospice residential homes in the province.

My name is Carol Derbyshire and I am the executive director of the Hospice of Windsor and Essex County, where I have served for the last 36 years. I'd like to begin my address by quoting Dame Cicely Saunders, the founder of the modern hospice movement. Speaking on the topic of hospice palliative care, Dame Saunders believed, "You matter because you are, and you matter to the last moment of your life. We will do all that we can, not only to help you die peacefully, but also to live until you die."

At Hospice Windsor, we've embraced this model of care and have focused our development of programs and services into holistic care that supports, educates and empowers anyone who is living with or caring for a person with a life-altering diagnosis. This care moves beyond the traditional imagination of hospice care for cancer patients to include persons dealing with a variety of diagnoses, including ALS, Lou Gehrig's disease, multiple sclerosis, congestive heart failure, chronic obstructive pulmonary disease and many more common diseases in this region.

The hospice was founded in 1979 by and for the community of Windsor-Essex. Our original mandate was to provide community outreach and support, caring for patients and families in their homes, and helping them to die where they lived: at home.

Over the last 36 years, we have also expanded our services to include three full-time palliative physicians, five nurse educators, six social workers, spiritual care providers and more than 700 active volunteers who provide support in the community to keep patients in their homes and out of hospitals as much as possible. In

addition, we provide about 47 day programs on-site at our hospice village, with more than 14,000 visits from children, adults, patients, caregivers and family members, emphasizing wellness and living with a life-altering diagnosis.

This growth has been due in large part to community partnerships, including a joint effort with the VON. We run a chronic pain management clinic on-site at the hospice, and as of 2007, Hospice Windsor-Essex has also been proud to offer eight residential home beds, and will add another 10 in April this year out in the county, in Leamington. It will be our satellite.

Our commitment is first and foremost to our patients and families, helping them to receive care in the most appropriate environment. As you know, many of the patients who end up in acute care beds throughout the province do not need the intense level of care that hospitals provide. Unfortunately, due to the complexity of their needs or caregiver fatigue, often palliative patients end up in the hospital because there is nowhere else for them to go. Not only is this an expensive burden on our health care system; it is not the ideal setting for a patient who hopes to spend their time in a quiet, peaceful and homelike setting.

With this goal in mind, we also have a hospice palliative liaison nurse, who is based out of the major hospitals in our region, helping to facilitate transfers of patients from hospital to the community or our residential homes. Once we get these patients home, we provide a physician the next day to go out and begin to follow them in their own home, along with a nurse, social workers if needed, and volunteers. This program decreases the ministry's cost of care for palliative patients and also improves their care experience.

The beauty of hospice residential homes is the level of care and support that patients and their families receive. I hope you will allow me a moment to share with you Nancy's story, because I think it truly illustrates the power of hospice care to transform lives. Nancy and her husband came to the hospice residential home about three years ago. Nancy had been caring for her husband, Ted, had been his main caregiver at home, and was struggling to keep up with his care. Ted was a very large man, and Nancy was unable to lift or move him on her own.

Once we convinced her to come and stay with us at the residential home, suddenly Nancy was able to transform from the primary caregiver, manager of medications and his nurse at home to becoming his wife once again. It was a remarkable transformation. In the space of a few hours, Nancy was able to stop worrying about scheduling medications, getting up through the night or struggling to manage Ted's care, and just be his wife and enjoy spending time with him. They laughed, they shared memories, they told stories and held hands in celebration of love. Ted and Nancy were able to spend their last weeks truly living and creating memories that are so precious, to this day.

1020

These are the stories that the current ministry funding helps to create. Ted and Nancy's story shows the power

of good hospice palliative care to transform lives in our community, helping patients and families to live well, not just die well.

Even more importantly, the care that people like Ted and Nancy received is actually more cost-effective. Hospice Palliative Care Ontario has calculated that hospice palliative care saves the health care system about \$23 million annually. That figure is based on the cost of a hospice bed at \$469 per day, compared to \$1,200 in a hospital, and using the 1,184 people who spent 31,367 days in a hospice residential home in 2014-15.

While we're very appreciative of the funding that comes from the ministry for our hospice residential homes, there are significant gaps in funding capital and operational expenses. The average hospice raises \$300,000 to \$500,000 each year just to pay for equipment, utilities and basic essentials for patients, including linens, blankets and even food. These are significant burdens on hospices that could be better directed into community care.

Part of my role as the executive director is explaining to the public why we have to fundraise. It is easy for me to tell stories about people who have been able to die at home because of support from hospice doctors and nurses, or who have received care for their entire family in the wellness centre. Community partners, corporate funders and even private donors can understand that their dollars are going to work to improve the lives of thousands of their friends and neighbours in the community. Where I often run into disbelief is when I ask people to help fund our hospice residential home.

Windsor-Essex is a small community, so at one point or another, most of the folks in our community have experienced hospice care. They understand what we are about, have used services and have seen the types of care that are offered. I can tell them about the fact that from 2012 to 2015, we have had an average occupancy of 92% in our residential home, even though the average length of stay is only 14 days. We are able to do that because we have our hospice palliative liaison nurse, who helps to keep people out of the hospital, instead, bringing them to a home-like environment at the hospice.

What funders can't understand is that we need to raise money to pay for essential patient services. When a family makes a donation after a loved one dies in the residential home, they are hoping the money can be paid forward to help the next person in need, not go towards the cost of food and heating.

By supporting the application of Hospice Palliative Care Ontario to cover 80% of—

The Chair (Ms. Soo Wong): Ms. Derbyshire, can you wrap up your presentation, please?

Ms. Carol Derbyshire: Okay. Thank you. We would just like to offer our support to HPCO in their request for 80% of funding.

The Chair (Ms. Soo Wong): I'm going to turn to Mr. Barrett to begin this round of questioning.

Mr. Toby Barrett: Thank you very much for the presentation. We had a presentation yesterday on this

subject as well, from HPCO, Hospice Palliative Care Ontario. We certainly appreciate, and we understand, the desirability, where appropriate, of someone to be in a hospice rather than in intensive care, perhaps, or in and out of an emergency department, or perhaps being in a long-term-care facility that maybe isn't geared up to provide the best treatment possible.

As we deliberate on our finance committee, with an upcoming budget, I appreciate the line of reasoning that you have presented as well, on the cost-effectiveness of this particular approach—as you mentioned, \$23 million in savings. There are a number of projects in the works now for which I feel the case can be made on the cost-effective side. Not only reduced emergency visits and less time spent in intensive care—for example, you give a figure of \$1,200 in a hospital bed a day versus \$469 a day in a hospice bed.

Ms. Carol Derbyshire: Yes.

Mr. Toby Barrett: Some of that was outlined yesterday as well. My question: Do we have any idea or comparables on the cost of a hospice bed per day compared to a long-term-care bed?

Ms. Carol Derbyshire: That's a good question. What I can tell you is that the hospice bed is still cheaper than long-term care, but I don't know exactly what the long-term-care bed costs.

Mr. Toby Barrett: We do know that a long-term-care bed is cheaper than a hospital bed.

Ms. Carol Derbyshire: That's right.

Mr. Toby Barrett: Hence the work over the years to better enable people to get into long-term care from a hospital bed. I think any hospital administrator works to that goal. For example, our CCACs work to that goal, but oftentimes the discussion about hospices is not in the mix because so many areas do not have hospice facilities.

Ms. Carol Derbyshire: That's right, yes.

Mr. Toby Barrett: I was reading—it may have been yesterday—about the hospices caring, obviously, for more people every year as more are built. But the average length of stay has been decreasing. In part, the reason for that is—and this is a good thing—more availability of services to support home care.

Ms. Carol Derbyshire: Yes.

Mr. Toby Barrett: Are you seeing that locally, or any comments on that? Is there more that we can be doing with respect to home care? Everybody supports home care where possible. How can that work within the system that you are part of, with the hospice system?

Ms. Carol Derbyshire: We have to credit our CCAC and home care for our occupancy being so good because they are the ones who admit to our residential home. They are very accurate. We try to keep those patients at home as long as they're comfortable at home, and then it's the CCAC that refers into our residential home.

We also have an outreach team where our physicians and nurses spend their days out in the community seeing patients at home, working with home care, to keep as many patients at home and out of hospital.

Mr. Toby Barrett: Again, some of this relationship, working with home care—it's less of a burden on our

long-term-care facilities—it would probably be valuable to try to get some cost figures on that as well, beyond the \$24 million that's saved with respect to the hospital system—and the pressure on emergency departments.

In addition to the hospices that we do have in Ontario—and so much of Ontario does not have this kind of facility; I think of my riding further down Lake Erie here—there are a number of projects in the works, as I understand, maybe 20 or so, for an additional 175 beds. What are they looking at now compared to what we've seen in the past? In the past it seemed so difficult to get a hospice established and to raise money from charitable donors. What's the government doing now to help out?

Ms. Carol Derbyshire: I think things are improving because people now are starting to see the benefit of a residential home. The communities seem to be rallying more to help raise that money, knowing that the government is coming to the table with some operating money, which is great. We appreciate it.

1030

The Chair (Ms. Soo Wong): Ms. Derbyshire, I'm so sorry. The time is up. Thank you, Mr. Barrett, and thank you, Ms. Derbyshire. Thank you for both your written submission and your presentation today.

Ms. Carol Derbyshire: My pleasure. Thank you.

The Chair (Ms. Soo Wong): Thank you. Have a great day.

LEGAL ASSISTANCE OF WINDSOR COMMUNITY LEGAL AID

The Chair (Ms. Soo Wong): The next group before the committee is Legal Assistance of Windsor and Community Legal Aid. I believe it's Marion Overholt coming forward. Welcome. Good morning. As you heard, you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from the official third party. You may begin any time, and when you begin, please identify yourself for the purpose of the Hansard. Thank you.

Ms. Marion Overholt: My name is Marion Overholt. I'm the executive director of Community Legal Aid and Legal Assistance of Windsor. We are two clinics that operate in the city of Windsor and county of Essex, serving low-income residents. We've been in operation for over 40 years of service.

It is my pleasure to appear before the committee today. This budget is happening at a critical time in the economic life of our province. It's an important opportunity to directly improve the lives of our residents.

I find it highly ironic that you chose to hold these hearings in a casino. It feels more and more probable, especially for youth and other marginalized groups, that the opportunity to grow and thrive in Ontario is more dependent on luck rather than as a result of a sound economic plan for our province. We are hoping that with this budget we will see a significant investment in the human capital of our province.

The three issues that I wanted to speak to you today about are income security, housing, and employment.

Our clinics assist clients in accessing social assistance, disability, EI benefits, employment standards, landlord-tenant, summary conviction offences, and victims of human trafficking. The erosion of the availability of federally funded programs has shifted more clients into public benefits. We've experienced similar trends with victims of workers' compensation, where strict guidelines and reclassification of awards have forced injured workers into the provincial, taxpayer-funded system instead of the employer-funded workers' compensation system.

Our most telling statistics of persistent high unemployment, especially amongst youth, and increasing use of food banks in this community indicate that income insecurity is still a persistent problem in this community. So our first recommendation is to make social assistance incomes adequate. We have still not resolved the rate increases, the problem that was created when the rates were cut 22.6%. Food bank reports show high and growing use of food banks by people on social assistance, showing that this problem is not going away, and we know that food costs are set for a significant increase in 2016. Social assistance incomes must be set to reflect the real costs of living, including the additional costs associated with disability. Do I have your attention? Mr. Barrett?

The Chair (Ms. Soo Wong): Mr. Barrett.

Ms. Marion Overholt: I just wanted to make sure I had your attention during my presentation.

Mr. Toby Barrett: Oh. I apologize.

Ms. Marion Overholt: Thank you. My second recommendation is with regard to the commitment to reduce child poverty. We are asking that you fully exempt child support payments as income for the purposes of social assistance. The province of BC has just exempted child support income completely, and their leadership means that children in BC whose parents receive income assistance benefits will be much better off as a result. Ontario should follow BC's lead.

Support families by making the pursuit of child support voluntary. We also recommend the enhancement of the Ontario Child Benefit by \$100 per child per year with continued indexing, and ensure that all Ontario children benefit from the federal government's proposed new Canada child benefit by preventing clawbacks from social assistance.

We'd ask you, too, to invest in people with disabilities and stop the practice of not providing benefit rate increases for family members of people with disabilities on ODSP.

When we look at housing, you know that housing is one of the largest costs that Ontario families face, and too many Ontarians have to decide between rent and food. We're asking you to develop a plan for a monthly housing benefit for low-income tenants to relieve the high costs of living. Some 43% of renters in Windsor are spending more than 30% of their income on housing. Our

social housing stock is in desperate need of repair, and the funds don't match our need.

The estimates in the last discussions at the city council budget sessions showed that it could cost \$65 million to eliminate the extensive maintenance backlog for the Windsor Essex Community Housing Corp. This issue was downgraded to the municipality, but declining revenues in economically depressed regions like Windsor-Essex county mean that this essential service is not being addressed.

The province needs to invest in housing and work with the federal government to ensure that there are affordable housing targets set for specific populations, including low-income families and others with high-core housing needs. The government must respond to the Expert Advisory Panel on Homelessness by making a commitment to fund or build housing that is affordable. The government has said that they intend to end chronic homelessness in 10 years, but without a commitment to fund and build housing, that is not going to be achieved.

Lastly, I will speak about employment. For those who are working, so many more of our Ontarians are living at a minimum-wage rate, and we need to increase that minimum-wage rate in order to bring their incomes within the poverty cut-off line. We're asking that there be a minimum of seven paid sick days for full-time workers, pro-rated for those working part-time.

We need improvement in the employment standards legislation to ensure that there is respect at work, so workers can assert their rights and be protected from discrimination, workplace harassment, bullying and unjust dismissal. We need the government to put in place rules that protect everyone with employment standards that cover all workers and are enforced.

For those looking for work, especially youth who are widely affected by underemployment and low-skilled and precarious jobs: We know that they are making up 30.8% of all youth employment with temporary jobs. I would commend to your reading the Backslide report from the Common Front, which shows that our economy has not recovered as it did following the recessions in 1990s and 1980s and that Ontario families are still suffering the aftereffects of the downturn, and recovery has been stunted by long-term trends of economic and labour force restructuring that have committed to make our province more inequitable. In fact, the report states that "the erosion of gains in equality built over decades in the last century began years before the most recent recession and have left many Ontarians more vulnerable" as a result.

No community knows this to be more true than Windsor, the automotive capital of Canada. The loss of manufacturing jobs has profoundly affected each resident in Windsor and Essex county. When one in seven jobs connected to the auto industry, the shuttered stores along Quellerie Avenue are a testament to far-reaching effects of the decline. We can't expect a declining loonie to reverse this trend.

We need a strategy with deliverables, deadlines and, most importantly, investment of taxpayer dollars if we

want to stem, if not reverse, the tide of growing inequality and the exodus of our youth from our province.

To conclude, I would like paraphrase Lester Pearson: We want to live together in confidence and in cohesion, with more faith and pride in ourselves, strong in the conviction that our destiny is to unite, not divide, sharing in co-operation and not in separation and conflict.

The income inequality that exists in Ontario is both a threat to our social cohesion and economic well-being. The good news is that it is fixable, and I commend that task to you. Thank you.

1040

The Chair (Ms. Soo Wong): Thank you very much. I'm going to turn to Ms. Fife to begin this round of questioning. Ms. Fife?

Ms. Catherine Fife: Thank you very much, Marion. You covered a lot of the missing pieces in the Poverty Reduction Strategy, which was supposed to reduce poverty in the province of Ontario by 25%.

Yesterday we heard from Hamilton legal aid, and they raised the issue, as you have, around social assistance rates. They proposed an idea of establishing an independent social assistance rating board—which was originally, a long time ago, proposed by Minister McMeekin, but it has fallen off the radar—in order to take the politics out of the social assistance rates. I want to get, quickly, your feedback on that idea.

Ms. Marion Overholt: Yes, I'm very much aware of that recommendation. It's one that we've always supported, because trying to determine the rates of social assistance—historically it was in the context of what labour market incomes were, and a percentage of whether it was an industrial wage or a retail wage.

When we had that cut back in 1995—we've never recovered from that. When you look at the amount of income in real dollars, we're always falling behind, and it's a highly charged political debate every time we get to the table. I think the idea coming from Hamilton about setting up an independent panel to look at this is a really sound proposition.

Ms. Catherine Fife: Affordable housing is the missing link, because it stabilizes everything. Yesterday it resonated very well with me, because their legal aid lawyer who did the presentation said that often when he gets to the Landlord and Tenant Board, he has no choice but to say to the tenants that they recommend eviction, because social assistance rates are so low and rent is so high. So that's good feedback.

Thank you for raising the clawback. Desmond Cole wrote an excellent piece in the Toronto Star, just the day before Christmas, and I think a lot of people are surprised to learn that when child support is paid to, for instance, a single mother who is living on social assistance, the government then goes and claws that money back, even though everybody knows that the social assistance rates are inadequate.

Ms. Marion Overholt: Right.

Ms. Catherine Fife: And our offices deal a lot with the Family Responsibility Office, which is a disaster. The

backlog on those claims keeps growing each and every year.

You mentioned BC. Do you want to reference exactly what they did as far as the exemption?

Ms. Marion Overholt: It's just a change in regulation. When you look at both the regulations for Ontario Works and Ontario disability, they define income. If you take out of that definition of income child support benefits—it's been an issue for many, many years, because when families separate, if one of the parents is going to end up on social assistance, then regularly the court looking at the issue says, "Well, we're not going to make an award, because this money is just going to go to social assistance. They won't receive the benefit of it."

Allowing that money to flow and to be considered income would make a huge difference for those families, and it's a way of seeing that connection. If there's adequate support for those families, then their health is going to be better. They'll have more educational opportunities. They'll be able to participate fully in the community. Then their life opportunities are going to be better. It's a very simple change in regulation, and I think it's a really important one.

If I could just comment on your concern about housing, a lot of times when our clinic goes to the Landlord and Tenant Board, it's a lack of affordable housing that's a difficulty. We may be able to end a tenancy, but the choice of other options is so limited that you're just saying to that tenant, "Well, you're likely going to get into another housing situation where you're going to be inadequately housed." It's a huge concern.

Housing is fundamental. The province needs to recognize that and play a role. We can't think that these municipalities are going to pick this up and be able to effectively deal with an area that's been neglected for decades.

Ms. Catherine Fife: Yes, and I think the municipalities, to be fair, have done as much as they possibly can, and they've hit the wall.

Ms. Marion Overholt: That's right. Absolutely.

Ms. Catherine Fife: We've heard that, actually, at AMO consistently over the years, and especially maintaining the housing stock, as well, because this was an investment that was already made.

There is the promise by Minister McMeekin that there is going to be a strategy. We've been hearing about it for quite some time, and now that there's a federal Liberal government, there are no more excuses, so let's hope that the promise is real and that we actually see a coordinated strategy.

But I think that housing is a provincial responsibility, and I think that if we are actually going to get to the poverty question, then housing is the key piece.

Are we done?

The Chair (Ms. Soo Wong): All right, time's up. Thank you, Ms. Fife. Thank you, Ms. Overholt. If you have any written submission, you have until February 2 at 5 p.m. to submit it to the Clerk.

Ms. Marion Overholt: Thank you so much.

The Chair (Ms. Soo Wong): Thank you for your presentation.

CHIPPEWAS OF KETTLE AND STONY POINT FIRST NATION

The Chair (Ms. Soo Wong): I believe the next group coming forward is the Chippewas of Kettle and Stony Point First Nation. Are they here?

While you're coming forward, the Clerk is coming around with your written submission. Welcome. As you probably heard, you will have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from the government side. When you begin—Marshall George as well as Cathy Hampshire—can you please identify yourself as well as your position with your particular organization? Welcome.

Mr. Marshall George: Thank you very much. Good morning, everyone. My name is Marshall George. I'm from the Chippewas of Kettle and Stony Point First Nation. I am a member of the Chief and Council. One of my portfolios is education, hence I am also a member of the Hillside board of education.

We are here to do a presentation on behalf of the Kettle and Stony Point First Nation Chief and Council. Thank you.

Ms. Cathy Hampshire: Good morning. My name is Cathy Hampshire. I am the principal program manager for education services for the community of Kettle and Stony Point First Nation. For those of you that may not be aware, Kettle and Stony Point are two land bases about 30 minutes northeast of Sarnia, located on the shores of Lake Huron.

In my job, as I said, I'm the principal program manager for education services for the First Nation. Really, what that translates into is: Anything to do with education, from senior kindergarten to the end of grade 12, is my responsibility.

I am the principal of the elementary school. I co-ordinate our services, because we send our high school students to the Lambton Kent District School Board. I'm the superintendent of special education. I'm the superintendent of transportation. It's all on my shoulders.

We are a separately financed entity for education services for students that live on-reserve. Even though we have a tuition agreement with the Lambton Kent school board for our secondary students, our elementary students attend school within our community.

Currently, we have 128 students at Hillside School. We follow the Ontario curriculum. Our teachers are all OCT-certified. We try to infuse as much language and culture as possible for our students, all under the guise—but it is a challenge for us, many times, because we are funded totally by the federal government.

As you may be aware, the funding model from the federal government, to put it bluntly, is severely broken. The challenge for me is, as an educator, I need to provide all those services for our students at a greatly reduced

level than what is currently offered by the provincial services. That includes the area of special education. As a result of that, we're constantly scrambling. How can we do a better job at much reduced?

We have fabulous teachers at Hillside School. They're totally dedicated; they're OCT. They are paid between \$20,000 and \$30,000 less a year than if they went across the highway and worked at Lambton Kent—which is sometimes difficult, but that's the challenge that we have.

1050

It's not all doom and gloom. We were able to partner, several years ago, with the Paul Martin aboriginal initiative. We are one of the model schools. Included in your package is the executive summary from the Paul Martin project. What that clearly demonstrated to us and to our community is that our students are more than capable of learning and of matching provincial expectations—in some cases, exceeding provincial expectations—if they're given the resources and if our teachers are given the training. One of the highlights that I wanted to share with you is that our school and our children are more than capable.

We are now facing a good problem, I guess, in Kettle Point, because for so many years many of our students would drop out when they would transition to the high school—a local transition. Now we're faced with a 20% deficit in the funds that we receive from the government to pay tuition. We receive about \$600,000 right now from the government for tuition, and our bill is \$888,000. That's a challenge for me.

We wanted to talk about three things in particular where we wanted to bring to your attention, as a provincial funding source, how you could reduce some barriers that our students are currently facing.

The first one is that when the legislation was established for the EQAO, which is the Ontario assessment, the province did not want to insist that First Nations participate. So there is a \$55 per student fee that is assessed to our school if we wish to write the provincial EQAO. When we've talked about that in the past, we were told that it's entrenched in the legislation. That \$55 per student—we have to pay that. It works out to be, for our case, about \$1,500 a year. That doesn't seem like a lot of money, but that \$1,500 would purchase computers or some support. It is a barrier for us because that takes away from the very limited resources that we have. If we don't pay the \$55 fee, then our students may not participate in the EQAO assessment.

In actual fact, not all First Nations choose to participate in the EQAO, but we feel strongly that our students who transition to high school in the provincial system—we need to prepare them. So that is a barrier for us. If that money could be rebated back to the First Nations, that really could help us utilize special education resources in a much more proactive way.

The other barrier that really bothers us when we're paying our tuition bill—I've given you a copy of the calculation of fees that First Nations pay from the boards. This is mandated by the ministry. If you look on the second page, in section 1.14 you will see that there is

what they refer to as the First Nation, Métis and Inuit education supplemental allocation fee. That is money that the ministry gives to the provincial school boards to support and promote aboriginal history, languages and cultures within their schools and to help their teachers. Yet when they calculate the tuition that we have to pay, we actually have to pay a portion of our tuition because of that. In actual fact, we're already providing a lot of support to the school boards—in-kind contributions, yet our tuition bill reflects an additional fee because of that allocation that's meant to support aboriginal students.

For us, it just seems strange and bizarre that we're having to pay a fee for our students to attend a school, and part of that fee is being levied for supporting aboriginal students separately. It's not a lot of money, but it doesn't make sense and, in actual fact, if that was taken out of the tuition calculation—the provinces and the school boards get more than that back. For example, our community supports Lambton Kent. Our students and our staff go and do presentations regularly to the school board, so it just seems that we're being charged twice. Rather than the school board getting that, we'd like to have that money back in our community so it would support our own language and culture and support the elders in keeping the language going. So that's a second barrier that we would like you to consider in your summary.

The third area that we would like you to look into is a situation that happened at Kettle Point this past year. We had a young, medically fragile student who resides in our community, and in order for him to attend school he actually had to have a full-time nurse with him at the school. When we contacted the CCAC, the community care—and I put in a copy of the policy—it turned out, or this is the way it's being interpreted, that a full-time nurse is available to a student who attends a provincial school, a private school, or if they are home-schooled, but if they attend a community-run school on a First Nation, they are not entitled to that service, which is really strange, because this student is living in our community. The CCAC was giving him nursing care at home, and basically what they told us is that if we wanted to transport this student to Samia, which is about 35 minutes away, they would pay for the nurse, but they would not pay for the nurse in his school, which is five minutes away, because it's on-reserve.

There seems to be a lack of clarity as to the services that are provincial and federal. Health Canada does not provide nursing care on-reserve to students because it's classified as an education service. So when you go to the government and you go to the education department, they say, "Oh no, that's a health service, so you have to go to Health Canada." We were going around and around in circles, and finally our chief got involved. There's Jordan's Principle, and you may be aware of that. Fortunately for us, the local LHIN chose to acknowledge that it didn't make sense and is currently paying for the nurse.

We spent a year going around in circles, and we wonder how many other First Nations students out there are currently not able to access their educational system

because of the policy being interpreted by others. So what we would ask you—

The Chair (Ms. Soo Wong): Ms. Hampshire, I need to—

Ms. Cathy Hampshire: Stop me?

The Chair (Ms. Soo Wong):—stop here because I need to turn to the government side to ask you some questions about your presentation.

Ms. Cathy Hampshire: Sure.

The Chair (Ms. Soo Wong): Is Ms. Hoggarth going to do this? Ms. Albanese?

Mrs. Laura Albanese: Thank you. I don't know if you wanted to conclude your theme, if you wanted to finish off.

Ms. Cathy Hampshire: I'm pretty well finished. It's in the submission, but I wanted to bring that awareness because I know that there are probably other children out there who are facing similar problems.

Mrs. Laura Albanese: Thank you very much for your presentation and for bringing all these points to our attention, these barriers that we need to consider. I did have a couple of questions—I guess just clarification.

In regard to your second point, that calculation of fees that you have here, I don't want to misunderstand. This fee is paid by the government of Ontario to the board to promote First Nation, Métis and Inuit education to the other students, or is it paid for your students?

Ms. Cathy Hampshire: It's for all students in the board.

Mrs. Laura Albanese: So it's paid to the board?

Ms. Cathy Hampshire: Yes.

Mrs. Laura Albanese: It's to teach all students about the history of—

Ms. Cathy Hampshire: Yes.

Mrs. Laura Albanese: But you're saying it should be used by your students and benefit—

Ms. Cathy Hampshire: Not necessarily our students, but basically, when the boards get this money from the ministry, they come to the First Nations because they need some help in delivering the service, which we gladly provide because it's obviously what our community would like. However, we have no say as to how the money really is spent by the boards. They will do some consultation, but not quite a lot. It's really not effective. It just seems that we're being charged—it's part of our fee—for the delivery of this service. We have no difficulties with the other fees, but in the calculation, it just seems like a double standard that we're being charged for the service.

Mrs. Laura Albanese: I see. It's clearer in my mind.

Then the other question that I had is, who owns this school? Is it owned by the federal government? Is it owned by—

Mr. Marshall George: Actually, we own the school, the Chippewas of Kettle and Stony Point First Nation.

Mrs. Laura Albanese: You own the school. Okay. That was another clarification that I needed in my mind. But the rest is pretty much clear, and we understand your concerns; we'll bring them forward.

I don't know if you had any other questions.

1100

The Chair (Ms. Soo Wong): Ms. Hoggarth?

Ms. Ann Hoggarth: I just wanted to understand: Do you own the school?

Mr. Marshall George: Yes.

Ms. Ann Hoggarth: You own the school. Did you say that you pay money to the Ontario government?

Mr. Marshall George: The federal government provides monies to the provincial government to provide special education services etc.—I'm not quite sure what they're called; Cathy knows more about it than I do—but this is money that goes to the local board of education in our area, which is Lambton Kent District School Board.

Ms. Ann Hoggarth: And then it's supposed to be passed on—

Mr. Marshall George: Actually, no. What happens with that money is, they provide cultural initiatives, cultural training and other things which are associated with our children going into, we'll say, a non-native school.

One of the reasons is that, over the years, our graduation rate for students who are coming from the First Nation is not great. Statistics vary from region to region throughout Canada, but we estimate that 40% of our students graduate from secondary school, whereas 60% are not successful.

Unfortunately, this program was established in order to provide our students with knowledge of our own people in order that it may enhance their own personal character, which will go a long way for our students to feel comfortable.

Ms. Ann Hoggarth: My other question would be about—you said your teachers are Ontario College of Teachers-certified. Where does their salary come from? The federal government?

Ms. Cathy Hampshire: The federal government gives us an allocation—a formula—and then it's the responsibility of the First Nation to pay their salaries. So we're totally separate. We're not part of the provincial school system. We are totally separate. The allocation that the federal government has given to our First Nation—it's up to the First Nation to decide how they will spend it. The allocation is so far behind that we can't match provincial salaries, yet the federal government tells us that our school must follow provincial guidelines.

The Chair (Ms. Soo Wong): Okay, I'm going to stop here. Thank you very much for your presentation, Mr. George and Ms. Hampshire, and thank you for your written submission and for identifying these barriers so that we can follow up. Thank you.

CHATHAM-KENT HEALTH COALITION

SARNIA-LAMBTON HEALTH COALITION

The Chair (Ms. Soo Wong): The next group coming before us is the Chatham-Kent Health Coalition. I believe that it's Shirley Roebuck.

Welcome. Thank you for being here. As you've heard, you have 10 minutes for your presentation, followed by

five minutes of questioning. This round of questioning will be coming from the official opposition. You may begin at any time. When you begin, can you please identify yourself for the purpose of Hansard. Thank you.

Ms. Shirley Roebuck: Thank you and good morning to the members of the committee. My name is Shirley Roebuck. I am the co-chair of the Chatham-Kent Health Coalition and chair of the Sarnia-Lambton Health Coalition. I am a registered nurse. I have earned my living as a registered nurse since I was 19 years old, which is, yes, indeed, the last century. So that's over 35 years of earning a living, working in hospitals.

I have provided to you today a written presentation, which I'm not going to really follow much at all. But I want you to know that what I'm here to talk about is the problems and, in my opinion, the actual crisis that has arisen in hospitals in Ontario over a number of years due to downsizing, restructuring and the real-dollar loss of funds for hospital funding.

For the last four years, hospitals have received 0% increases. This has caused numerous problems, and I'm only going to just very briefly touch on them.

Because hospitals have to submit a balanced budget to our provincial government, tough decisions have to be made. Because of that, you'll see staff cuts, service cuts and services changed from full-time to part-time. One of the first and most important cuts that have been made, in my opinion, is the downsizing and elimination of hospital workers who are employed in housekeeping. One of the things that, obviously, we all think about when we think about hospitals is how clean they are. In fact, that is not true. We need a very skilled workforce in housekeeping departments in every hospital in order to keep them as germ-free as one possibly can.

Hospital rescues are down. A hospital rescue is a situation where an employee, usually a nurse, finds a patient deteriorating while admitted to hospital and is able to intervene on an early basis, therefore improving that patient's outcome. When you cut the number of registered nurses and qualified staff, these hospital rescues have decreased dramatically. This means poorer patient outcomes and, in fact, some deaths in the province.

There are obviously a lot of problems here that I could go on about, budget restraints and LHINs and all sorts of things, but what I'm going to ask you to do, at your leisure, is to perhaps briefly review my presentation. Today what I want to do is tell you about two patients.

The first patient is a fellow under 65 years old. He lives in Chatham, Ontario. He is employed. He does manual labour for a company in Chatham. He was eating dinner with friends—this is last year—when the friends noticed that suddenly he was not making any sense. His arm dropped; there was a facial droop. The friends thankfully realized that this fellow possibly was having a stroke or a CVA.

They took him personally to the emergency room. The emergency room took him right back into the emergency room. The friends, because they weren't family, sat in the waiting room for a while. They were advised that there were a good many tests that had to be done on this

fellow, which I would presume would be following Ontario's stroke protocol. That protocol says that when someone presents at the hospital within four hours of exhibiting symptoms of a stroke, then the patient shall receive a CAT scan to confirm the diagnosis and then he or she would be eligible for emergency treatment—I think the public would call it a clot-busting drug—which will greatly improve that patient's chance of survival and greatly reduce his deficits post-stroke.

This fellow was left in a room. This was 6 p.m. in the evening. The emergency room quickly became almost overrun with clients. He was forgotten. He was able to come out of his room at 2 o'clock in the morning and ask when he was going to be seen. The staff told him, "Well, I'm sorry, you'll have to come back in the morning."

Now up until here, I fully recognize that this is an individual story wherein staff are to blame. But what else is to blame is the number of patients that presented in an emergency room which has been decreased in staff, and a change in staff mix has been initiated. This is the sort of terrible thing that happened.

1110

This gentleman did go home. He came back in the morning, as the nurses told him to do. He received a CAT scan at that point and was diagnosed with a right-sided CVA. Today, he is left with cognitive deficits; his thought process is not the same as it once was, and therefore he cannot do his full job. He also has residual weaknesses on one side of his body.

This shouldn't happen to anyone living in Ontario or in Canada. We have to staff these departments appropriately and we have to make sure that the correct patients go to emergency rooms. Certainly, this man was a legitimate emergency room case.

He's grateful, by the way. He is very grateful that he got such great care. I'm not.

The second patient that I want to talk to you about has been ill for some two years. She was just under 60 years of age. She thought she was in relatively good health, but over a week or so she wasn't feeling right. I can identify with that; I'm sure a lot of people can identify with that. She went to her family doctor—she wouldn't think of going to the emergency room—she just felt unwell. The family doctor told her to get to emergency because she needed lab work done. She went to the emergency room and she told the nurses.

The nurses drew the blood and sent it to the lab. They came back and they drew a second sample, saying, "That one was off; it can't be right." They did the second sample, and again her lab results were horribly abnormal. A third sample was drawn before she actually was taken inside the emergency room. At that point, I want to tell you that her serum potassium was 8 millimoles per litre. I know that eyes are crossing when I say that; but to any health care worker in the room, I can assure you that steam is coming out of their ears. That's a horribly high value which can lead to cardiac arrhythmias and death.

Treatment was administered. This is actually a fairly easy thing to treat. She was admitted, treated and then

very quickly discharged. She went back to the emergency room some weeks later, again feeling unwell. This time they were reluctant to admit this lady, and it took the intervention of her family doctor before she was actually admitted to a hospital room in the intensive care unit, again because her potassium level was dangerously high. Again she was treated and discharged. To just simplify things: She was admitted and discharged two more times for the same problem without any diagnosis being obtained.

She was sent home too quickly. You just don't develop a blood anomaly like that for no reason. There's a reason behind this. In the middle of this, she was also being treated for a leg ulcer. She had very few home care hours, which became erratic, with home care workers—and to make a long, pitiful story short, she actually ended up losing her leg.

The Chair (Ms. Soo Wong): Ms. Roebuck, I'm going to just stop you there because your time is up for your presentation. I know you have a written submission for us, so we can follow.

I'm going to go to Mr. Barrett to start this round of questioning.

Mr. Toby Barrett: Thank you, Chair. My colleague would have some comments as well.

Going through your brief—we've heard this in other presentations to the finance committee with respect to the freeze on funding. The term that I hear about is "activity-based funding" for hospitals. There has been zero increase in funding over four years. Over the last 10 years, from what I see, it's a decrease in funding in real terms. Over the last 10 years, from what I see, it's a decrease in funding in real terms. Over the last 10 years, federal health transfers increased 6%, but we know that things get eaten away: compensation, although we also hear that salaries are not going up; the cost of electricity: Everybody knows that is going up; the cost for heating and energy; and the cost of drugs and medical supplies.

Just looking at this overview—and you addressed some of this in your brief. As someone who has worked in the hospital system for a number of years, just what is activity-based funding and how is that working out? How is that impacting?

Ms. Shirley Roebuck: I think that has caused hospitals to run toward certain pots of money while not being able to ask for increases in a simple, global budget. Health care will never be a black-and-white issue. It's always going to be grey and muddled and mixed up. One reason for that is that we are all different people. You can't just fix the potassium and expect that patient to go home and be better.

Activity-based funding, in my opinion, has to be looked at again. I think, certainly, the federal government and, I hope, the provincial government will consider giving hospitals a better funding model and more money. Everybody wants that today from you guys, I know, but me too.

The Chair (Ms. Soo Wong): Mr. Fedeli?

Mr. Victor Fedeli: Thank you very much, Ms. Roebuck.

I go back to what the Auditor General said.

Not everybody here is asking for money, by the way. They're asking for it to be spent better, in some instances.

Ms. Shirley Roebuck: Oh. I stand corrected.

Mr. Victor Fedeli: But most are here to ask for more money.

I look at what the Auditor General told us, not only this December in her report, but a year ago December in her report, when she said that if we don't balance the budget and control debt and deficit, we're going to—she called it crowding out—start crowding out the services that Ontarians have come to rely on. I think that's exactly what's happening here. I read the paper here in Windsor, where the Windsor Regional Hospital has just seen a cut of 169 RNs. That's devastating to a community; I can appreciate that.

I'm from the riding of Nipissing. I live in North Bay, and you would have heard the stories in North Bay. Many of your co-workers came to North Bay to rally. It's a concern everywhere. We lost 350 front-line health care workers, including 158 just recently and 100 RNs.

We've heard two stories from you. We read in the Ottawa papers that this release of patients too early is causing great harm. Can you just summarize it for us, then, and wrap up, based on the comments that you have made and, quite frankly, the comments that I have made?

Ms. Shirley Roebuck: Yes, thank you. Let's just think about this woman's case for a moment. She actually had four unplanned emergency admissions to hospital. I'm not an economist, but I can tell you that each readmission costs a lot of money. If that woman would have been kept in hospital perhaps two or three days and been given the tools she needed to proceed to be an outpatient, such as proper home care and proper referrals on to specialists, perhaps this lady would not have had to use extra health care dollars.

I really have to go on and say also, yes, there are a lot of patients who perhaps shouldn't be in emergencies, but I believe the province is agitating for integration, and the integration that is happening is not true integration. You have to have integration between family doctors, primary care, hospitals, outpatient care and on to where you need to be, whether that be long-term care or home or a residence—

The Chair (Ms. Soo Wong): Ms. Roebuck, I'm so sorry. We have to stop here; your time is up. Thank you for your presentation and your written submission.

1120

REGISTERED NURSES'
ASSOCIATION OF ONTARIO,
WINDSOR-ESSEX CHAPTER

The Chair (Ms. Soo Wong): The next group before the committee is the Registered Nurses' Association of Ontario, Windsor-Essex chapter. Good morning. Welcome. Deborah Kane, I believe, is coming before us. I think the Clerk has the written submission.

Ms. Kane, as you probably heard, you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from the third party. You may begin any time. Please identify yourself for the purposes of Hansard.

Ms. Deborah Kane: Thank you. Good morning. I am Deborah Kane and I'm here representing the board of directors of the Registered Nurses' Association of Ontario. We are the professional association representing registered nurses, nurse practitioners and nursing students in Ontario. The region that I represent includes Windsor-Essex, Chatham-Kent and the Lambton area.

I thank you for the opportunity to offer RNAO's recommendations on two important issues facing RNs. The first is to mandate that employers stop replacing RNs with less-qualified providers, and the second is to expand the scope of practice of RNs by moving forward with independent RN prescribing.

Now I'd like to provide some background.

As the government considers its finances, a lot of attention is drawn to our health system. Expenditures are rising, as are the demands of changing demographics. Ontarians continue to face challenges accessing care. For example, while 94% of Ontarians have a primary care provider, their ability to see their primary care provider when sick ranges from 28% to 57%, depending on the local health integration network.

Given the pressures that exist, some may call for increased privatization to respond to gaps. Nurses boldly reject privatization and any gimmicks that challenge our cherished universally accessible, publicly funded and not-for-profit health system. Instead, we must focus on fully utilizing our existing resources, and here we have two main asks for the government and its opposition parties during this budget discussion.

First, send an urgent and clear message to employers to stop replacing registered nurses with less-qualified health providers. I think you heard some good examples by the speaker just before me of what happens when that occurs. Some hospitals, including one in our own backyard, are feeling pinched by a new funding formula. In response, they are jeopardizing patient care by replacing RNs with less-qualified providers, thinking they will save money.

Some may say that a nurse is a nurse and the public won't know the difference. RNAO says: Make no mistake. Replacing RNs with less-qualified health providers compromises patient safety, health outcomes and hospital budgets. Is that what you want for your family and loved ones or yourself? The evidence on RN replacement is conclusive: worse health outcomes and higher expenses. We know that with more RNs delivering care, patients heal quicker and are safely discharged, and the less likely they are to develop complications and the less likely they are to die.

Minister Hoskins has set forth a vision for Ontario's health system whereby hospital care is a last resort and reserved for those who are acutely ill, often with grave instability and complexity. They need an RN. We urge all

of you to send a clear message that employers stop replacing RNs. Not doing so is at Ontarians' peril.

RNAO's second ask is to move speedily with scope-of-practice expansion for RNs. In 2012, we led a provincial task force with representation from all the key primary care stakeholders in Ontario, including the medical and primary care associations. Specifically, we asked whether primary care RNs were being fully utilized in the system. The response we received was abysmal. Over 4,000 primary care RNs in this province are underutilized. Did you know that an RN needs an order from a physician or nurse practitioner to administer Tylenol? This is something that you or I could do freely. RNs can't.

Other jurisdictions already have RN prescribing. The United Kingdom, for example has had RN prescribing of medications for over 17 years. The task force was unanimous in its recommendations to expand the scope of practice of the RN in Ontario to include the ability to prescribe medications, order diagnostic testing and communicate a diagnosis.

RNAO is not alone in calling for an expanded utilization of RNs. Other reports, including the Drummond commission and even the editorial board of the Toronto Star, have come out in favour of an expanded utilization of RNs. And so has Ontario's Premier, who first committed to expanding the RN scope of practice to include prescribing at RNAO's 88th annual general meeting in 2013. This was reaffirmed by Minister Hoskins at RNAO's Queen's Park day in February 2014. The matter is now with the Health Professions Regulatory Advisory Council for advice on how an expanded scope for RNs should be implemented. This review is expected to report back by the end of March.

RNAO calls on the government to follow through on its promise by implementing an enabling framework that will authorize RNs to prescribe medications, based on their individual level of competency and not through a predetermined list, protocol or collaborative practice agreement. HPRAC is defining this as "independent RN prescribing."

An enabling framework promotes interprofessional collaboration and remedies challenges that nurse practitioners previously faced in this province with prescribing lists. Supplemental or protocol-based prescribing models, where RNs prescribe through agreements with physicians or nurse practitioners, are a barrier to timely access and actually result in duplication of resources, a blurring of professional accountability and higher costs.

Ontario moved to a baccalaureate entry-to-practice education requirement for RNs in 2005, yet the scope of practice and responsibilities of RNs have never changed, despite increasing the length of study. RNAO recommends that a university-level continuing education program be developed for current RNs who want to expand their role. This is consistent with the approach used in the UK. A second step involves integrating the expanded scope into the baccalaureate curriculum by 2020. This later step will serve to fully unlock timely access for Ontarians.

There are over 96,000 RNs practising in Ontario. Imagine the impact that their expanded scope of practice

will have on improving timely access to care and freeing up needed health system resources. This initiative will present the system with minimal costs that are offset by the massive savings that will be produced and can be re-invested in other areas of the health care system. The evidence from the United Kingdom shows us that RNs can prescribe medications safely and effectively.

In conclusion, we urge the government to demonstrate strong leadership by stopping the replacement of RNs and instead fully using them by expanding their scope of practice to include independent prescribing authority, along with the ability to order diagnostic testing and communicate a diagnosis. This will ensure that all Ontarians get the timely care they need and deserve.

It's been a pleasure to be with you today, and I look forward to answering your questions.

1130

The Chair (Ms. Soo Wong): Thank you very much, Ms. Kane. I'm going to turn to Ms. Fife to start this round of questioning.

Ms. Catherine Fife: Thank you very much, Ms. Kane, for the presentation. I think it's good of RNAO to consistently remind us of where the scope of practice is. It's interesting to see the timeline and the promises that have been made.

A lot of people come to us, and some organizations are asking for money, but some are coming forward with really creative options which actually would reduce the front-line cost and save money down the line. So I'm very curious to see what the recommendations will be in March around prescribing.

I do want to get at the issue, because all of our communities—my community is Kitchener–Waterloo. Our Grand River Hospital, just last Tuesday—it was looking at a \$10-million deficit, and now it's an \$8-million deficit. That's 68 front-line positions, including 38 RNs.

When you talk about replacing RNs with other service providers, can you delve down into that a little bit? Are you seeing this consistently across the province?

Ms. Deborah Kane: Actually, we are. Those from Windsor and Essex county know—

Ms. Catherine Fife: Your mike wasn't on. Thanks. Now it is.

Ms. Deborah Kane: Last week, it was through the news, the replacement of a significant number of RNs by RPNs. It isn't just in Windsor and Essex county.

I was interviewed to talk about what that impact means. I was very clear, very aware, to recognize that RPNs play a very important role in our health care system. So it's not that we don't value RPNs. They play an important role. But as I identified in the presentation, the hospital is where the sickest, most acutely ill individuals are. Our College of Nurses identifies that competencies for practice are based on the stable patient an RPN is qualified and competent to care for. The unstable patient requires an RN. The minute you're not unstable, as the speaker before me pointed out, you get discharged. So we really need that RN skill at the bedside in our hospitals to provide that care.

So when I was worried—because I did not want to suggest that RPNs aren't important. I was reading a letter to the editor, and I thought, "Oh, no. Someone twisted what I said." It wasn't in Windsor. It was in Hamilton, and there were several others that were brought to my attention.

That's a long way to answer your question. This is not unique to our area.

Ms. Catherine Fife: Well, it's not surprising, though. With the four-year freeze on hospital budgets, there's this tension now between health care professionals. We heard it yesterday from practical nurses versus doctors versus RPNs. This is the crisis that is being created in health care by underfunding hospitals across the province of Ontario. Thank you for bringing these solutions to us.

I think that my colleague Taras Natyshak has a question for you.

Mr. Taras Natyshak: Just to follow up on the frustration—and thank you, Deborah, for being here. Thanks for your advocacy and thanks for the work that you do on behalf of the RNAO and, again, to express that frustration at the levels of funding within all of our regional hospital systems and our health care system at large, given examples of fiscal mismanagement at the provincial level. Just yesterday we heard that the government had the audacity to set up a hairdressing salon for the Pan Am Games at a cost of \$110,000—

Ms. Catherine Fife: It was \$140,000.

Mr. Taras Natyshak: Yes, \$140,000—excuse me—for a two-month hairdressing salon for athletes within the Pan Am Games. That's money that should be going to the front-line care workers in our communities. It should be delivered to folks that require the services and the support that we all know exists.

It is, again, discouraging and almost despicable that you've been forced into this position to have to validate your existence, to validate the work that you do as front-line care providers and to challenge your colleagues who are trying to do the same thing, who want to do the same thing, who are an integral part of the system.

It's really an indication of a failure of leadership at the provincial level, and the requirement for us to do better and to have an actual strategy around delivering care province-wide, supporting hospitals that don't follow a funding formula that might work for large urban centres at the cost of delivering care in smaller areas of our province.

Thank you very much for being here. Thanks for your deputation.

Ms. Deborah Kane: Thank you.

The Chair (Ms. Soo Wong): Thank you very much, Ms. Kane, for both your presentation and your written submission.

OPSEU

The Chair (Ms. Soo Wong): The next group before us is OPSEU: Monte Vieselmeyer. Welcome, sir. Good morning.

As you've probably heard, you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from the government side. When you begin, can you please identify yourself for the purposes of Hansard.

I believe the Clerk is coming around with your written submission, so thank you.

Mr. Monte Vieselmeyer: Good morning. My name is Monte Vieselmeyer, and I've worked as a correctional officer in the province of Ontario for the past 25 years. I'm handing you a document that has my prepared speech in there. Also inside is a national document that over-looks correctional issues across the country. For provincial issues, I also had a hand in preparing that, and there's a provincial document that we prepared approximately two years ago.

At present I am the elected OPSEU chair of the corrections division for the ministry employee relations committee. I have been a member of this provincial committee for over five years. I represent over 5,000 correctional and probation and parole officers across the province. I also represent nurses, maintenance workers, kitchen staff and other designations that work within our institutions and community offices.

I thank you for the opportunity to speak in front of you today. I would like to present to the committee the areas within the corrections ministry that could use focused input of financial resources. Prior to touching on these specifics, I would like to give a brief history and insight into why I am making these financial requests to the committee. Over the past year, we have been speaking out in regard to the crisis in corrections that is occurring in the province of Ontario. This crisis has been in the making for many years, and little has been done to stop its advancement.

Over the past several years, the media has been actively reporting on riots, violence within the jails, overdose deaths of offenders, failure of building and security systems within our newest facilities, high-risk offenders in the community not receiving the level of supervision needed and most recently a hostage-taking of a correctional officer in the Thunder Bay Jail who was threatened with death.

This crisis has seen severe understaffing in our provincial jails, detention and correctional centres. This has led to increased lockdowns within our facilities. For the year 2014, the ministry recorded over 900 staffing-related lockdowns across the province. The more lockdowns that offenders within our custody incur, the greater likelihood of rising tensions. We have seen a significant corresponding rise in inmate-on-staff assaults—855 in the year 2013—that have been directed at our front-line members.

Our probation and parole officers carry the highest caseloads in Canada, making the supervision of 56,000 offenders in the community a very difficult task. All these preceding points are exacerbated by the mental health and addiction issues of the offenders, the overcrowding within the jails and the lack of programming, to

name just a few. The crisis is very real and is compromising the safety of staff, offenders and all Ontarians we serve. I believe there is a commitment from this government to address this crisis, and the union is committed to working with the government to solve the issues that plague our correctional system.

The first step is to secure the needed budgetary resources to deal with the issues head on. The president of OPSEU, Smokey Thomas, has gone on record stating that \$100 million needs to be invested into Ontario corrections to address the ongoing crisis. This infusion of funds is a much-needed start to address the shortfalls and visible failings we see in our line of work on a daily basis. This will enable the hard-working front-line workers and management the ability to perform their jobs without having to run each day, shift or hour in crisis-management mode. The focus can then change from a crisis to the transformation the minister and ministry are looking to implement.

The critical areas that I'm bringing forward for your concern—because I don't want this to go over 10 minutes, I'm going to highlight some of the points.

Staffing within our institutions: At present, we're approximately 800 correctional officers short across the province. That's 300 full-time officers and 500 fixed-term officers. That would be before we take into account any attrition—that would be officers who retire or go on to other jobs and so on.

1140

Training and development of the new correctional officers: As the minister has stated, they want to hire thousands of officers over the coming years. We need an infusion of new training officers to fulfill those training needs. Right now, we have a correctional college in Hamilton. We need resources to hold future classes in northern and eastern Ontario, and also the continued use of the police college in Aylmer when it's available.

I also feel that state-of-the-art facilities for our new recruits will help them learn in an environment that is indicative of a correctional institution setting. Also, I think a reinstatement of paid training for new hires would assist with a diverse and broad spectrum of the Ontario population that we need to incorporate within our workforce.

For our officers who are already in the field, because of short staffing, training has fallen by the wayside and we need to get their training up to appropriate levels to cover the issues that we deal with. We have to have updated training so that we can continue to use the personal protective equipment, which includes restrictive weapons. Training for first aid, fire emergencies, use of force, self-defence and mental health of offenders are all needed immediately so officers can perform at the highest and most professional level possible.

The next area, health and safety: My colleague Tammy Carson presented to the committee yesterday in Hamilton, so I'm just going to touch on some of those areas quickly.

Our members work under extreme and difficult circumstances every day in correctional facilities. It does

not matter if it is the first minute or the last minute of your shift; correctional officers must remain in hyper-vigilance mode at all times. We must make sure we provide our officers with the best equipment and training possible to keep them safe. Furthermore, when our officers suffer from occupational stress injuries or post-traumatic-stress-related symptoms due to the nature of our work, we are there to provide them with immediate resources to help them heal.

Some of the areas I believe Tammy pointed out that we need investment in are full-body scanners for all institutions across the province, more protective vests for our officers so that we're fully outfitted, and additional radios. Also, we need walk-through metal detectors and an improved emergency response network for our probation and parole officers.

Number four is our public safety and infrastructure. The province of Ontario has 26 correctional facilities within its jurisdiction. This is down from over 50 institutions just over 20 years ago. Ontario still has jails that predate Confederation, to jails built in the early 1900s to the 1960s and 1970s, to the most modern facilities built within the last couple of years. Ontario has progressively gone to what is considered a superjail format, which holds in excess of 1,000 inmates. These superjails hold over half of the province's inmate population. The expectation is that it's cheaper to house these inmates, but the province has now taken on a warehousing aspect to deal with the greater number of offenders.

Recidivism rates have shown that public safety is not properly served by the warehousing of the offender population. As the older jails within our correctional infrastructure continue to show the effects of their years of service, it begs the question: Do we inject maintenance funds or replace with newer up-to-date facilities to serve the needs of Ontario's correctional system? Studies have shown and been supported by groups such as the John Howard and Elizabeth Fry societies: Build new regional facilities that do not exceed 300 beds in capacity. This size of facility provides for the offenders to remain within the realm of their community and provides access to family, court and community services and the greater likelihood of successful reintegration into their communities.

Ontario's newest and largest detention centre is experiencing many significant issues. It was constructed within the framework of the P3 model, which is public-private partnerships. This model seems to have focused more on the profit available to the partnership than the security needed for Ontario's citizens.

Going forward, many difficult decisions must be made in the coming years to house and rehabilitate offenders. Financial resources will need to be applied to effect these decisions.

Inmate supervision and rehabilitation: Inmate supervision and rehabilitation remain as the core duties and mission statements of institution and community corrections. Within the context of today's crisis in corrections, with severe staffing shortages, overcrowding, and proba-

tion and parole caseloads as the highest in Canada, inmate supervision and rehabilitation have suffered and we have failed to live up to those mission statements. With future investment and resources we hopefully can turn the corner and provide the appropriate supervision and programming needed to assist the offender population.

Greater mental health resources are needed more than ever as the province's jails have become the location—

The Chair (Ms. Soo Wong): Mr. Viselmeyer, can you wrap up your presentation so that I can go to the government side for questioning?

Mr. Monte Viselmeyer: Sure.

The Chair (Ms. Soo Wong): Thank you.

Mr. Monte Viselmeyer: Part of inmate supervision is also direct supervision that we've applied. We think this is an important aspect of turning that corner to get that appropriate supervision. Also, some of my colleagues will be presenting on probation and parole. They have the highest caseloads in Canada. We spend the least amount of money at \$5.81, as per the Auditor General. Our caseloads for probation and parole officers are 65 offenders. The suggestion is that—

The Chair (Ms. Soo Wong): Okay, I'm going to stop you here, because I told you to wrap up. I'm going to turn to Mr. Milczyn to begin this round of questioning.

Mr. Peter Z. Milczyn: Thank you very much, Mr. Viselmeyer, for your presentation this morning. Your colleagues gave a very good presentation in Hamilton yesterday.

I wanted to start off by thanking you and your colleagues for a very difficult job that you do very well, with a very high degree of professionalism in circumstances that I assume most civilians couldn't even contemplate. So I thank you.

I know that we've had a difficult round of negotiations which isn't entirely concluded yet, but I believe there's a good framework to move ahead. I really can't say more about that here, because that's best—

Mr. Monte Viselmeyer: I would agree with you, yes.

Mr. Peter Z. Milczyn: —dealt with there. But I know from both yesterday and today that all of us really appreciate the excellent suggestions that have been brought forward, and we look forward to working with you to move forward and make improvements.

The Chair (Ms. Soo Wong): Thank you very much for your presentation, sir, as well as your written submission. I think that this is really helpful for us when we have the written submission. Thank you, and have a great day.

Mr. Monte Viselmeyer: Great. Thank you.

MUNICIPALITY OF BROOKE-ALVINSTON

The Chair (Ms. Soo Wong): The next group coming before us is the municipality of Brock-Alvinston: Mayor McGugan. Welcome, Mr. Mayor. Thank you for being here. The Clerk is coming around with your written submission. Mr. Mayor, you can begin any time. When you

begin, can you please identify yourself for the purposes of Hansard. You have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be from the official opposition party.

Mr. Don McGugan: Thank you ever so much, Madam Chair and members of the committee. I am Don McGugan. I am the mayor of the municipality. It's Brooke, not Brock, but I've been called worse at this game. So I do say thank you. Our county treasurer, John Innes, who has helped me with this presentation, is unable to be present today. Our own Brooke-Alvinston treasurer left last week for a job that gave him an awful lot more money, so he is gone. I do have my wife, Anne, and we've been married for 48 years. She's the lady who does all the typing—I just do the talking—so maybe she should be the one. I have been here before. I say thanks for giving me the opportunity to come back. I'm not here to complain or bitch or carry on.

I heard someone say that everybody wants money. Yes, that's important. I just hope that maybe we can dole out the money that's there a little bit better.

I do have another presentation, and the staff does have it. I only had 12 copies of it. We will email a copy of it to you. It's about a natural gas presentation that I made to Ontario Good Roads last year. It talked about turning up the heat. So you will get that next week, and I will touch on that just briefly.

I will not be following my prepared comments 100%. This was made up last week. On the weekend, we came across some interesting articles in our local papers. Some of them have been mentioned here this morning. One that was not mentioned here this morning is in Nova Scotia—the seniors' crisis that's there. I do wonder how far behind we are in Ontario from that crisis, as you can tell by my looks and by being married 48 years. I also worked for Dow Chemical for 34 years, when they had 1,650 employees there. Today there are no Dow Chemical employees in Ontario. So that tells me a little bit about our infrastructure and our industrial opportunities that we have let slip away. We need to bring them back.

1150

There is an extra copy at the very back. It's not part of the presentation but I thought it was important that you at least take a look at the Nova Scotia challenge.

Also, I heard some other presentations this morning, and they talked about the cuts here at Windsor Regional Hospital. I had 120 registered nurses cut. I believe Mr. Fedeli had 166. But anyway, it is certainly a crisis. Bluewater Health, from where I come from in Lambton county, cut a number of registered nurses last fall.

There's also another article there. Anne and I sit on the Lambton Rural Child Care board. We look after some of the best hubs in Lambton county. That is being changed drastically. I talked to the gentleman in Lambton county this morning who looks after that. I believe that the Ministry of Children and Youth Services is giving that up and turning it over to the department of Education. We have \$135,000 for transition for one year.

I asked him what that means. He said, "I'm not sure." He was going to a meeting, I believe, in London today.

What I really came to talk about is Brooke-Alvinston. There's a whole history in there. My ancestor came to Brooke-Alvinston in 1850. If we look at it in a big picture, we're all new Canadians; it just depends when we got here. I say thanks to the government and their interest in caring for the refugees who are coming from the Middle East. I think that's really great, that we can reach out, because I think of my great-great-grandfather who came here with just bush and no farmland and a family.

Brooke-Alvinston: There's a history there. It tells you who we are, how important we are, how important agriculture is. I have a couple of real concerns. One is the OMPF funding. I do say thanks for all of the funding that we've got. It doesn't matter whether we go back to the 1990s. Every party has been in power. We have received funding from all parties. I do say thanks for that. Hopefully, we used it in a beneficial way.

Interestingly enough, OMPF funding in Brooke-Alvinston—we're very rural; basically no industry; very little commercial; two little hamlets, one of 800 people and the other one of 180. The 800-person village of Alvinston, as of today or tomorrow, will have the highest fibre-optic speed that's available. I have talked to our economic people in Sarnia about trying to get some entrepreneurs to come there and use this opportunity that we've got there because it is a relatively cheap place to live.

Our real grant is only \$239,000. The transitional grant which the government—and I heard the Premier talk at the OFA convention in 2014, and she said that she wants 120,000 jobs created by agriculture. Well, we can do that. We do have to have the infrastructure to do that.

I know that the government would like to get rid of the transitional funding. In my case, it comes to \$893,000. That was cut, back in November, by \$137,000. Four years ago, I was at just about \$1.9 million, not quite; now I'm down to \$1.137 million. That's about \$500,000 that I've lost in the last three years—I said "four"—but for the last three years, I've lost half a million dollars. That is about 10% of our budget.

I'm not sure how the OMPF funding is allotted. I talk to people: I go to trade shows, I go to Good Roads, and I talk to the finance department. I find them very interesting, very knowledgeable. I ask them, "How is it really done?" I've never really gotten an answer that a poor farmer like me in east Lambton could really understand, but I understand that it's something to do with households.

In my municipality, agriculture is about \$60 million. In my municipality, there are fewer homes, but we still have to have the same roads, same bridges, same culverts to look after the product that we produce. So, if you take it on households, you're cutting me back. But if you take it on the amount of gross product we're producing, we're producing more.

I would just love if each and every one of you would take the opportunity to come to Lambton county this

summer. We'll just show you a great opportunity. Wonderful. My wife handed the Chair a beautiful bottle of wine from the largest meadery in eastern Canada, Munro's. They were a winner of a Premier's award a few years ago for innovation. We'd love to have you come down and to just show you.

I realize that you've got a money problem. I realize that the debt is there. I just hope that we can work together. We've got a new government in Ottawa and they're talking about great things. I can't wait to get that first cheque for infrastructure. I know it's coming; it's just that the mail is slow. They told me last night at a farm meeting that I was at that oil in Oklahoma from the tar sands is about \$10 a barrel, so I'm not sure where we're going as a country, but we do have lots of challenges. I think if all three levels could work together we can make it better because we do have a great province and a great country. Where else would you want to live?

My next concern is OPP costing. Now, I do say thanks; we are saving about \$72,000 in 2016 over 2015, but we're still about \$500 per home—it looks like a lot of money; it's about \$1,200 or \$1,300 a day for a small municipality. The other day, there were several cop cars in town. They had long guns; I didn't want to get too close to them. I wasn't sure what they were looking for, but I think it was some of that good stuff that the new Prime Minister is going to let us grow legally.

Anyway, I do want to move on to our schools. When I became mayor—and this may be a reflection on me as mayor, there were 415 kids at our local school. We have a public school, French immersion, we have Best Start and we have Early Years. Today there are 265 kids in that school. That's not a reflection on the school; it's just a reflection on rural Ontario and how it has changed drastically. Farms are getting bigger; we have big equipment. We're very productive in Lambton county. We are of relatively young age of farmers, somewhere in the mid-fifties, where the province is just a touch over 60. So we do have to be concerned about what's going to happen with these rural schools in the rural communities.

That leads me on to some other concerns that I heard this morning here about seniors. I sit on Lambton county council. There are 11 municipalities, and we have three nursing homes. I talked to the manager this week of the nursing homes. We have one with 125 beds. The hydro cost in 2015 was \$295,000 and it's projected to be \$340,000 in this home with 125 residents. They do not cook and they do not heat with that. We have solar panels that heat the water up to a certain temperature, then gas takes it from there on up. So, I do wonder—as you can tell, I may be in one of those beds in the near future—that the strategy is for the provincial government, and that includes the opposition parties because they have lots of good ideas too. You need to come to the local municipalities and see how we can work together.

That takes me into social housing. If you think I'm here to complain, I'm not; I'm just telling you the issues that we in Lambton county have. We have about 800 units—apartments and some houses that we own; many

low-rent apartments that you can get for nearly \$180 a month, depending on your income. We in Lambton county need to spend \$40 million in the next 10 years on these homes and residences. Our finance department has come up with a strategy that tells us that we can do this, but we're going to be robbing—I don't really mean the word “robbing”—but taking money from other services, to be able to do this. I know that was handed down from the federal government, from the provincial government and eventually, in some transaction in the last 20 years, it ended up at the local municipality. I have got to say thanks that the government has uploaded some services and some money from the county; we do appreciate that.

I did have a chance to talk to the Premier just for a couple of minutes a year ago, and we had a little chat about this. She said, “Well, you know, the money that we uploaded, it should trickle down to you,” at my level. I guess I shouldn't have said it to her, but I said, “You're right. But somehow that trickle doesn't seem to get down to me. By the time it gets to me, it's less than a drip.”

So I'm not sure how we handle these challenges, but we are getting older. We heard about the health care system; we heard about the RPNs; we've heard about the RNs. The lady from Chatham, Ms. Roebuck: I was really interested in her story. I am very fortunate to sit on the Central Lambton Family Health Team—

The Chair (Ms. Soo Wong): Mr. Mayor, I need to stop you here because your time is up. Before I turn the microphone to Mr. Fedeli, I want to acknowledge your wife. Thank you very much, Ms. McGugan, for being here as well.

All right, Mr. Fedeli, it's your turn to deliver the questions.

Mr. Victor Fedeli: Thank you very much, Chair. Don and Anne, thanks for being here again this year. I'll give you a chance to catch your breath now for a moment. I can see why you're elected annually; it was a very pleasurable presentation.

You talk about the Ontario Municipal Partnership Fund. Like you, I served as a mayor of the city of North Bay for two terms. I sat in either the OGRA/ROMA or one of the AMO meetings, and I sat with the then finance minister a long time ago, in 2003 and 2004.

1200

Nobody ever did explain how that OMPF was going to work when it changed from the CRA to the OMPF. But I do know that it does have to do with household values, as you spoke about. It has to do, basically, with when you have an average house price in Ontario and it's your community's house prices. Whether they are above average or below average, it's how you come up with the number.

We've been lobbying for a long time—I'm hoping that this is a solution that you'll look to lobby along with us—for some other kind of a blended system. You can't base it on just one criteria. If you're not having any houses built in your community, and the house prices start to rise because of demand, you don't get any OMPF money. We're lobbying for some kind of a blended system where

you take other things into account, and I think you were alluding to that.

Mr. Don McGugan: Yes, that would be great. I think we need to work together and maybe blend. I'd just love to have a crisis where my houses' costs were going up \$10,000 a day. I don't have that. I get about two new houses a year.

Just one other comment, Madam Chair: I didn't get to mention about high-speed Internet other than what Brooke-Alvinston has itself. We're trying to work on that. We need it in the rural areas.

I don't want to interrupt, sir.

Mr. Victor Fedeli: No, no. Look, I enjoy listening to you. I don't know how you do it. I've just got to pass that on.

Where I live, in the little town of Corbeil, East Ferris, my mayor is Bill Vrebosch.

Mr. Don McGugan: I know him.

Mr. Victor Fedeli: You would know him well, of course, through ROMA. We're a town of 4,800 people, the town that I live in. He has the same issue that was brought up yesterday. It's a small community that has absolutely spectacular financing. In my town of Corbeil, we have no debt. We've been debt-free—Billy has been mayor for 30 years; he has been a great mayor in Corbeil. We have no debt. So when he applied for infrastructure funding, he got the same letter back that we were presented with yesterday from another mayor of a small town that said, "Sorry, we're going to turn you down. We have to give the money to one of the municipalities that is less managed than you, and who can ill afford it."

I'm asking you: Is that the kind of thing that you're seeing in your neck of the woods as well?

Mr. Don McGugan: If I had time to finish my presentation, I even cover that. I do say thanks for the money that we get under the OCIF. You automatically get \$35,000. We say thanks for that. That's a help.

We did apply for a couple of projects, but the story we got back was that our road traffic wasn't a high enough volume to make us eligible for that.

It's a balancing act for the government. I don't envy you your job, but maybe we can work together.

I didn't have a chance to mention it, but our potential budget increase this year, in 2016, is 10.2%. That will not happen. We will cut back. The bridges will be looked after, and the roads will be safe, and the snow will be plowed. But we will have to cut back on recreation or somewhere.

Mr. Victor Fedeli: Nobody in your municipality is going to want a 10% increase, so that's the starting point.

Mr. Don McGugan: Yes, and we work down, not up.

Mr. Victor Fedeli: If you did everything you did last year, it would cost you a 10% increase.

How much time do I have, Chair?

The Chair (Ms. Soo Wong): One minute.

Mr. Victor Fedeli: One minute.

You had talked about hydro costs as well. Can you just repeat to me, because I didn't finish writing it all down, that one housing unit that had the hydro costs?

Mr. Don McGugan: Okay. I can give it to you very quickly. At Meadowview, we have three nursing homes. This is the largest one, with 125 beds. Another one is 125, and another one is 98. At the 125, the actual cost in 2015 was \$295,000. They have projected in the budget, that we will get next week, \$340,000. The total cost for the three homes is about \$800,000 projected for 2016. We have put in new doors and new windows. All these homes are new since 1991.

Hydro cost is a big concern to us. They don't cook and they don't heat with that. I said they've got too many computers making contact with their friends in Toronto, but they said no, they didn't.

Mr. Victor Fedeli: Thank you very much, Don. Anne, it was great to see you again. Thank you both for coming again this year.

The Chair (Ms. Soo Wong): All right. Thank you, Mr. Mayor and Mrs. McGugan. Thank you for being here, and thank you for visiting this committee again.

Mr. Don McGugan: Don't forget to share that wine with everybody.

The Chair (Ms. Soo Wong): Okay. It's going over there. Actually, they're working very late—no, we're early this morning, until early, early this morning.

Mr. Don McGugan: Okay. Well, thank you.

The Chair (Ms. Soo Wong): Thank you very much. Okay, folks, before we recess for lunch, there's a pressing issue: The committee needs to make a decision with respect to the report. We need to provide some direction to the staff.

The first question is: What is the format of this year's 2016 pre-budget consultation report going to the minister? What format do you guys want? Do you want it in a summary of all the presentations? What is the desire of the committee? Mr. Fedeli first.

Mr. Victor Fedeli: I like it by category. You can call it other words—chapters. It could be health or transportation—issue-based.

The Chair (Ms. Soo Wong): Issue-based; okay.

Mr. Victor Fedeli: If I had a preference, I would vote for that one.

The Chair (Ms. Soo Wong): Ms. Fife, do you have any suggestions?

Ms. Catherine Fife: I concur. I think it's helpful to have it chunked by issue because there is a lot of connectivity between the two.

The Chair (Ms. Soo Wong): Okay. How about this, Ms. Albanese?

Mrs. Laura Albanese: This is something that I had asked for last year. I think it helps us out considerably if, before we go straight into the draft report, as we did last year, we are provided with that summary by theme, category or whatever we want to call it, just to refresh our memories.

The Chair (Ms. Soo Wong): I sense that we have consensus based on issue/category. Ms. Vernile?

Ms. Daiene Vernile: Last year, you'll recall, we had a debate as to whether or not people or organizations should be named in our final report. I think it's important

to do that, because if you see some kind of suggestion being made and there isn't a direct reference, we're trying to remember who said that and where we were. If we can reference the name of the individual or the organization, that's helpful.

The Chair (Ms. Soo Wong): Okay. I'm hearing that this attribution should be included. Mr. Fedeli?

Mr. Victor Fedeli: Didn't we do two different things last year and take a tremendous amount of time to go through it and change it all one way or the other? Does anybody remember that?

The Chair (Ms. Soo Wong): The Clerk—

Interjection.

The Chair (Ms. Soo Wong): Okay. Mercedes?

Ms. Mercedes Lee: Last year, I think at first we didn't have the attribution and then we had to insert it after the fact. If you want the attribution, we can do that right from the get-go.

The Chair (Ms. Soo Wong): Okay. I hear there's consensus with attribution, right? Okay, that's good. Do we have an agreement that it will be like the summary—

Interjection.

The Chair (Ms. Soo Wong): Ah—that the second part of the document is the summary of the presentations? Is that good with everybody, the summary of presentations? Mr. Clerk?

The Clerk of the Committee (Mr. Katch Koch): I think what Ms. Albanese was referencing was that the committee will first get a summary of the presentations, which will help you develop your draft report based on what each presenter asked for.

The Chair (Ms. Soo Wong): Okay. Mr. Fedeli?

Mr. Victor Fedeli: So we get the summary and then we do it by issue? Is that how it would be done?

The Chair (Ms. Soo Wong): Ms. Albanese.

Mrs. Laura Albanese: By issue is the summary. Basically, what I'm asking—and I think it's the same thing that Mr. Fedeli is asking—is, if we take an issue or a category, let's say health, we would have, even in a point form, if you will, all the requests and all the concerns that were expressed in regard to health care in that category.

Mr. Victor Fedeli: In that category, yes. I think that's not what they were saying. They were saying we would do a summary of all the presenters. We want it by issue.

The Clerk of the Committee (Mr. Katch Koch): So you want both rolled into one document?

Mrs. Laura Albanese: No.

The Clerk of the Committee (Mr. Katch Koch): No? Two separate documents: One is a summary and one is the report, which would be formatted by issue?

Mrs. Laura Albanese: What do you mean by the summary? What we're asking for is a summary, I think.

The Chair (Ms. Soo Wong): Okay. Ms. Fife?

Ms. Catherine Fife: My understanding, based on last year, is that the researchers listen to all these delegations along with us. They summarize what we have heard, and we have names attributed to them and organizations. That

comes to us, we review it and then we formulate the report that goes to the minister. Is that right?

The Clerk of the Committee (Mr. Katch Koch): Right.

Ms. Catherine Fife: Okay.

The Clerk of the Committee (Mr. Katch Koch): So it's two different documents, yes.

The Chair (Ms. Soo Wong): Okay. Do we have consensus? Mr. Fedeli, everything is good? Okay.

The last question is the deadline. When do you want it by?

1210

Ms. Catherine Fife: When is the budget?

The Chair (Ms. Soo Wong): Your guess is as good as mine. The last day of hearings is February 2, right? The House returns on Tuesday, February 16.

I'm going to put my preferences out. If we can get some kind of draft from the staff on the Tuesday when we return, on February 16, I can call a committee meeting on February 18 so that we can see a draft, but you'll have at least two days to review before the draft. Is that good enough for everybody? Mr. Fedeli?

Mr. Victor Fedeli: So this is before we go to translation and that type of thing?

The Chair (Ms. Soo Wong): Yes. This is very raw.

Mr. Victor Fedeli: This is the first time we'll see it.

The Chair (Ms. Soo Wong): Yes. First draft.

Mr. Victor Fedeli: Yes, I'm good with that.

The Chair (Ms. Soo Wong): Okay.

Mrs. Laura Albanese: What date, again?

The Chair (Ms. Soo Wong): We are going to receive it from staff on Tuesday, February 16, so that we can call a committee meeting on Thursday, February 18, so that we have two days to review it. That will give the staff a whole week, because they will have this week, when we finish on Friday, and next week to prepare all of this week's stuff. Then we still have two more days of hearings when we return back to Toronto. That way, during the week before—with the House returning on February 16, we will have that written submission of a draft report for this committee to review, so that I can call the meeting. I don't call committee meetings unless we have something to meet about.

Okay? Is that good with everybody?

Mrs. Laura Albanese: I was just wondering if it would be possible to have that summary beforehand for us to sort of take a look.

The Chair (Ms. Soo Wong): Mr. Clerk?

The Clerk of the Committee (Mr. Katch Koch): It may be very difficult because of the deadline for written submissions on February 2. It really depends on when the written submissions would come in. In previous years, we have seen a lot come in on the last day.

Mrs. Laura Albanese: When's the deadline for that?

The Clerk of the Committee (Mr. Katch Koch): February 2 at 5 p.m. for written submissions.

Mrs. Laura Albanese: Okay.

The Clerk of the Committee (Mr. Katch Koch): So research will summarize everything you have heard plus whatever we get in writing.

Mrs. Laura Albanese: Oh, okay.

The Chair (Ms. Soo Wong): Remember, we have turned down a lot of individuals who weren't able to come in Toronto. There were 160 people who registered. You saw the list released today.

Mrs. Laura Albanese: Yes.

The Chair (Ms. Soo Wong): Let me go back to the date. Ms. Fife?

Ms. Catherine Fife: Just on that point, I think that, going forward, when we have our deliberations next year, we have to plan for more Toronto dates, because that's a significant amount of people who were turned away in Toronto.

The Chair (Ms. Soo Wong): Okay. That's for the subcommittee.

Mr. Fedeli?

Mr. Victor Fedeli: Just for the record as well, and not quite the same point: I've noticed a tremendous amount—we've only been doing this for a day and a half, and we've had repeats already. And if you look ahead on the Toronto schedule, there are going to be more repeats of what we had yesterday and today scheduled for Toronto. I was hoping we'd get away from that. I think our goal was to try to get away from that.

Mrs. Laura Albanese: That was our goal.

Mr. Victor Fedeli: It was our goal. No disrespect to anybody, and I can imagine the pressure that we're under, but—

The Chair (Ms. Soo Wong): I think the three subcommittee members maybe need to have a debriefing after these hearing dates.

Mr. Victor Fedeli: Yes, but I just wanted it acknowledged that even this afternoon we're going to have repeats of this morning.

The Chair (Ms. Soo Wong): Oh, yes. We're hearing echoes.

I just want to make sure that people understand: The staff will come back with a draft report on Tuesday, February 16. I'll call a committee of the whole on Thursday, February 18, so that we can review the draft. The draft will include the category/issue along with the written submissions the staff will then prepare for us. Is that good? Are we good with that? All right.

I'm going to recess until 1 o'clock. Thank you.

The committee recessed from 1215 to 1305.

WINDSOR REGIONAL HOSPITAL

The Vice-Chair (Mr. Peter Z. Milczyn): I'll reconvene the committee. Our first witness of the afternoon is Windsor Regional Hospital. If you could come forward—wherever you're comfortable. The process for this afternoon is that you have 10 minutes for your presentation, and that will be followed by five minutes of questioning. In your case, questions will come from the

third party. For the record, could you please state your name?

Mr. David Musyj: It's David Musyj, president and CEO of Windsor Regional Hospital.

The Vice-Chair (Mr. Peter Z. Milczyn): Go ahead.

Mr. David Musyj: Thank you, everybody, esteemed members of this pre-budget consultation committee. I'm the president and CEO of Windsor Regional Hospital, and I'm here today to talk to you primarily regarding operating funding and the impact it has had on hospitals and in particular Windsor Regional Hospital for the last few years.

I have in front of you a detailed memorandum which goes through a lot of details with respect to the impact of funding—it was actually shared with our front-line staff and our board of directors—regarding the new funding formula that started in 2012. Just to provide some highlights for you on the impact it has on regions like Windsor, the funding formula, the Health System Funding Reform, is made up of three major components.

Number 1 is that 30% goes towards overhead. Windsor Regional Hospital's overhead spend for this past year was at 26%. That's a good thing. That means we're able to take 4% of our overhead and apply it to patient care. This current year we're running at about 27%, and the reason for the increase is—I'll give you one major example: Last year, for our hydro costs at Windsor Regional Hospital between our two campuses, we spent \$3.5 million. This year, to the end of March, we're projected to spend \$4.2 million, a \$700,000 increase.

We have not changed the delivery of services one ounce at either campus for the last two years. That goes toward our overhead expense, for which all funding for Windsor Regional Hospital and for hospitals across the province has been frozen for the past five years at approximately \$19 billion, except for priority programs, like pacemakers; small hospitals, which got 1%, but they are generally very small hospitals; and new hospitals. Other than that, funding has been frozen, and that base funding has been frozen, of course, as part of that.

The second component of the funding is quality-based procedures. That's when you're provided a certain amount of money for a certain procedure. For instance, at Windsor Regional Hospital, we get approximately \$8,000 to do a hip surgery, and that's from pre-surgery, surgery and the completion of surgery care on the floor. That's 40% of the funding in the province of Ontario for hospitals. I wish it was 100%, because if we went to quality-based procedures for everybody, that means we get paid the same amount for a hip as Toronto does and there are no differences. Unfortunately, it's not the amount of funding—sorry, it's 30%, not 40%. And I wish it were 100%.

The last piece harms Windsor Regional Hospital and harms pretty much every hospital region except for the 905, and that's HBAM, Health-Based Allocation Model. What that is is 40% of our funding, and the one portion of it that hurts us is that areas that are not growing in population as compared to Toronto, the 905 region, are

negatively impacted. You don't have to look far. Look to North Bay; look to Quinte; look to Kitchener-Waterloo; look to ourselves; even look to the London region. Part of the formula, and it's outlined in my report, is that a patient who comes to Toronto, who lives in Toronto, who goes to a Toronto hospital, comes in with certain comorbidities or certain diagnoses and he or she is given a certain weight. That weight is grossed up by the percentage growth of population for the Toronto 905 region.

That same patient comes to Windsor, who lives in Windsor, comes to our hospital in Windsor. His or her weight is grossed up by our population growth, which over a two-year period is projected to be about 8% to 9% less than the 905 region. As a result, we don't get the benefit of the impact of that funding. When the pie is frozen at \$19 billion a year for the last five years, and you start dividing that pie up amongst all of the hospitals across Ontario, you can only divide it so much. What's happening is that the monies that should be going to areas like Windsor for Windsor Regional Hospital have to go toward funding the higher-growth areas—if the pie is frozen.

1310

I'm not saying to throw out the funding formula. As stated, the quality-based procedure part of it I really like. I think it's a good model to go with the rest of the province. However, when the overall pie is frozen and the areas that are not growing in population are funding those areas that are growing in population, we can't continue; we can't sustain it.

At the end of my presentation, I just want to talk about something that is very important to residents of Windsor-Essex as well, moving forward: the move toward a new single-site acute care hospital. We're the third-largest community teaching hospital in the province of Ontario right now and we're the 11th-largest acute care hospital in the province, period. Our residents deserve nothing less than what's happening in Oakville, what's happening in Humber, what's about to happen in Vaughan and what has happened across other regions of this province, which people in Windsor-Essex have paid for. We really look forward to working with the ministry in moving that project forward for the benefit of our residents. Thank you very much.

The Vice-Chair (Mr. Peter Z. Milczyn): A question from Mr. Natyshak.

Mr. Taras Natyshak: Thank you, David, for being here, and thanks for your leadership in our community.

Under the HBAM model, if that is to continue without any changes, what do you foresee for service delivery through your hospital here in Windsor?

Mr. David Musyj: Good question. It's tough. Again, prior to 2013, Windsor Regional Hospital had six balanced or surplus operating budgets entering 2013. One of the major changes was coming together and creating one acute care facility in 2013 and taking responsibility for the former Hôtel-Dieu Grace hospital. That was a change that was discussed for decades and needed for our community, knowing that these funding formula changes

were in the works and they were not going to be positive towards Windsor-Essex due to our population growth.

If there is no additional funding, if that pie is frozen at \$19 billion, it's just a natural impact. It will have to further erode the funding that goes to areas outside the 905 pretty much. We can only cut so much when our overhead costs are running at 26%, 27%—but part of that is that the electrical costs are going up.

I'm glad the ministry yesterday talked about parking, but that doesn't apply to us because we don't charge \$10 a day. Again, we're dealing with "the forest for the trees" here. I'm glad we addressed parking, but there are so many more significant issues facing our province right now with respect to health care other than parking.

Mr. Taras Natyshak: In terms of priorities, if the province called you up today, if the Ministry of Health called you up today, and said, "David, we found \$840,000 that we'd like to give you," what would you do with \$840,000?

Mr. David Musyj: We'd apply it to front-line care, apply it to services for our residents so they don't have to leave the region to have services and go elsewhere.

Mr. Taras Natyshak: The reason I bring up that specific sum is because we learned yesterday that the government, through the Pan Am Games, contracted out a hairdressing facility—a barbershop, essentially—for athletes at the Pan Am Games at the cost of \$140,000 for two months. On an annualized basis, that's \$840,000. It's a question of priorities. So we hear that if you were given more funds, direct funding, you would apply it to front-line care.

The provincial government under the Liberals decided to open up a hairdressing salon during the Pan Am Games and deliver some haircuts. I would say that is quite clearly a lack of priorities and leadership through the government.

I'll pass to my colleague.

Ms. Catherine Fife: How much time?

The Vice-Chair (Mr. Peter Z. Milczyn): Six minutes.

Ms. Catherine Fife: Thank you very much, David, for being so straightforward with us. This morning, we heard from the registered nurses. They've been feeling a lot of pressure because they have been seeing some of their members being replaced by other health care staff. I think this is a case of these tensions between health care professionals and health care administrators who are trying to balance budgets, because obviously you can't run a deficit.

But it was really interesting because it was mentioned that hospitals should be places of critical care. When you go to a hospital, it's because you need a specific level of care or you need the emergency room. But we have 300,000 Ontarians who don't have doctors, so I'd like to hear from you as to: Who are you seeing in your hospital? Are they mental health, are they hospice, are they long-term care, are they an aging population that doesn't have any other options? Because that also weighs into where the funding is going in health care.

Mr. David Musyjj: Thank you, Ms. Fife. There are three parts to that question. Number one, I recognize that the region you're from happened to announce some budget changes and staffing changes the same day we had to, so I know it's tough for your region as well and what they're facing is similar to what we're facing.

Number two, with respect to the RN/RPN issue, I hope—and I've asked—that the registered practical nurses and registered nurses don't focus on fighting with each other regarding the professional care they deliver; they're both nurses. By doing that, it changes the focus on the underlying issue, which is the funding. That doesn't get us to where we need to get to, which is to address the overall funding. I'm hopeful, as they go through their discussions, that that doesn't follow that course and they can focus on the funding formula and the impact it has on jurisdictions outside of the 905.

Now, with respect to the patients we're seeing, I'll tell you a story. The other night, I got a phone call at home from a gentleman who—new parents, he and his wife—came home from work. They were taking care of their 10-month-old baby and the baby spiked a fever. It was about 8:30 p.m., 9 o'clock. They're nervous—first-time parents. Faced with that, their option was left to come to the emergency department. Why? Because we don't have any family physicians working past a certain hour of the day. The walk-in clinics that are available aren't open. Pretty much after 7 p.m. every night, the only game in town is the emergency department.

I know there's a commitment by the ministry to address primary health, but the types of individuals who are, unfortunately, coming to our hospitals—aside from the mental health patients, aside from the critically ill patients—are those patients who need another option. But, basically, after 7 o'clock at night, especially in our region, the only option they have is the emergency department until about 9 o'clock in the morning.

I know the government is talking about primary health care reform. One of the major components is, if you call up your family doctor, to have an ability to have an appointment that same day. There has to be reform in that regard. And it's not the family physician's problem. It's not a physicians' issue. They're having their own issues currently with the government in power; it's not their problem. It's just that we have to give them the tools in order to allow them to have the ability to see the patients that day, and take the pressures off the hospitals.

Ms. Catherine Fife: Thank you. I think that speaks to the need for more doctors in the province of Ontario.

One final point is around the idea to keep people out of hospitals, so that hospitals are there for critical or acute care. The Auditor General found that, with our CCAC model, only 61% of the funding was going to front-line care. For every \$10, \$1 goes to profit. This is an ongoing issue, and I'm happy that the government has acknowledged that they're going to have to look at the CCAC model and the LHIN model as it relates to hospitals as well.

Mr. David Musyjj: Just with respect to that, I'm hopeful that the white paper that was produced and the

discussions that are ongoing right now create some positive change to the patients, and reduce the touch points for patients and families that they suffer from right now.

My co-steering committee member for the new hospital, Dave Cooke—his parents are going through a rough time and they're living with him right now. He talks about the system and how he has to discuss taking care of his mom with four different provider groups, and the disconnect between those provider groups and what he's going through. He's someone who's familiar with the system and has some knowledge of the system and the struggles he goes through. There needs to be some fundamental reform in that area, again, to reduce the touch points. I'm the CEO, so take this with a grain of salt—eliminating the CEOs of the CCACs isn't—that's going to get a lot of press if that happens, but that's not the solution.

1320

Ms. Catherine Fife: That's not wholesale reform either, right? It's just dealing with one small item. But I definitely think we need to follow the money and where it's going in health care. I know that there has been a lot of contracting-out and privatization of health care services, and the Auditor General found that we are not getting very good value for that. But there needs to be greater accountability and transparency in where our health care dollars are going. Thank you.

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you very much. You have until 5 p.m. on February 2 to submit anything in writing that you might want to—

Interjection.

The Vice-Chair (Mr. Peter Z. Milczyn): Oh, it's already here? You've already submitted in writing?

Mr. David Musyjj: Yes, I did. Thank you.

The Vice-Chair (Mr. Peter Z. Milczyn): I apologize. Thank you.

GREATER KITCHENER-WATERLOO CHAMBER OF COMMERCE

The Vice-Chair (Mr. Peter Z. Milczyn): Our next witness is the Greater Kitchener-Waterloo Chamber of Commerce. You have 10 minutes for your deputation, and then there will be five minutes of questions from the government party. For the record, could you please state your name?

Mr. Art Sinclair: Art Sinclair, vice-president of the Greater Kitchener-Waterloo Chamber of Commerce.

Members of the committee, Chair, thank you very much for the invitation to appear here again for pre-budget hearings. I'm always glad to make presentations, and particularly glad to be in attendance today. As some of you may have heard, we had a significant snow event in Waterloo region yesterday. At times during the last 24 hours I was wondering if I would be able to make it down the 401, but, again, I'm quite pleased to be here to make our recommendations for the 2016 provincial budget.

As you will note from our deputation, we have identified three issues for discussion today.

One is manufacturing.

The second is another health care issue that you may or may not have heard in the last two days, one which is, I think, more and more important to us and our membership, and that is, of course, pharmacare.

The third issue is something that we brought up last year, which is a proposal that the cities of Kitchener-Waterloo and Guelph, the region of Waterloo and the city of Brampton have had before the provincial government and the federal government now for two or three years, and that is upgrades to the CN north mainline that runs from Union Station out to Kitchener, that will increase our GO train capacity and further stimulate our local economy and create jobs and new economic opportunities for our community.

The first issue is the manufacturing industry. Of course, one in five jobs in Waterloo region is still related to manufacturing. It's very important not only to us, but all of southwestern Ontario, including Windsor and Essex, London-Middlesex and Sarnia-Lambton. Of course, we have been very strong in our promotion of our local sector, and the national sector as well.

I think we're all aware of some issues that have been brought up by the auto manufacturing sector in the last couple of months in relation to some concerns with the Trans-Pacific Partnership. Our colleagues at the Ontario Chamber of Commerce recently submitted a letter to Minister Navdeep Bains at the federal government regarding these concerns. Again, we share those as well.

But from our perspective, I think one of the key considerations with respect to the advancement of the manufacturing sector is that there's continual government support and incentives for the advancement and the application of new technologies to the sector. Yes, trade agreements are important, and expanding our markets is particularly important, but we're only going to be successful in those markets if we have the products that the buyers want.

Linda Hasenfratz, who I think many of you know, the CEO of Linamar, based in Guelph, made some comments in the media after the signing of the TPP that, even with the lower Canadian dollar, which is obviously driving a lot of activity in the manufacturing sector, we cannot lose our focus on the longer term, which is developing superior products that are cost-effective and efficient and buyable on global markets. We do that through advancements in technology.

Again, this isn't really a criticism of either level of government. I think, generally, the manufacturing sector has been supportive of the support we have received from the federal and provincial governments over the last year or so. With the devaluing of the Canadian dollar and, obviously, an increase in manufacturing activity over the last couple of months, certainly we can't lose that long-term focus to make sure that we have those investments in technology to keep us competitive over the longer term.

So that would be our first recommendation: We ask the province to maintain commitments to technology and incentives to support that, as it applies to manufacturing.

Our second issue: This is something, I think, that we're at the initial stages of. It's not something that the provincial government can deal with unilaterally, but it is, I think, a very important issue that we're going to be dealing with, all of us, over the next two years, and that is pharmacare.

From our perspective in our chamber of commerce, we have Sun Life, Manulife and Equitable Life, who, as we all know, provide employee and employer benefits programs, many of which, obviously, include prescription drug plans. We also have in our chamber membership a lot of small businesses that buy those plans.

Again, that's one of the challenges, as a chamber of commerce. We have members from many sectors, so, like government, we face a lot of pressures in dealing with these issues and trying to formulate the best alternative solution.

From our perspective today, our chamber, and, I think, the business community generally across Canada, wants to be part of these discussions, as there appears to be some interest in reforming the system.

I think that's a key consideration. I think there is general agreement from the industry, the financial services sector and the life and health insurance industry that provides these programs, that there is a recognition that reform is necessary. I think the key issue then is what form that reform is going to take.

One of the key issues that we have identified in the submission today is the price of drugs. Generally, I think, in the industries, there is acceptance that the prices of drugs are too high. The Canadian Life and Health Insurance Association has made the point that the—it's a federal organization, so I'd better get the proper name here—Patented Medicine Prices Review Board that essentially reviews the prices of prescription drugs in Canada. Their mandate should be realigned so that prices do start coming down. That's a key consideration.

I think what we have to look at, in the broader term, is universal pharmacare, which I think a lot of the discussion is going to be based on over the next number of years, looking at the possibility of universal pharmacare, which generally, I think, as a business community, we would have serious apprehensions about. But will universal pharmacare bring the prices of drugs down? That's a key consideration.

The second consideration I think we have to look at is the cost of universal pharmacare. Some of you may be aware of a report that was issued last summer by a number of people in the health care community. Danielle Martin was one of the authors. A gentleman, a Mr. Morgan, from UBC was one of the co-authors on this report, which indicated that universal pharmacare could save all governments across Canada about \$7 billion. The Canadian Life and Health Insurance Association countered that remark and said that, essentially, from their analysis, a universal pharmacare program would

cost governments across Canada about \$14 billion. So there's a pretty significant difference in the two analyses: \$7 billion being saved; \$14 billion being spent. That's a divergence of about \$20 billion, which is about 10 times the jackpot in last week's Powerball lottery. It's a lot of money. Those are some of the issues that we have to look at, going forward.

Again, this presentation today isn't critical of the provincial government or the federal government. However, there are some serious issues that I think have to be analyzed here, and I think the business community, including our community where Sun Life and Manulife are major employers—we want to be part of these discussions, moving forward, both with the federal government and the provincial government.

In fact, we have a system that works for the benefit of the province and the residents. You'll note in the presentation, on page 5, Rx&D, the association of pharmaceutical companies and manufacturers. Russell Williams, the president and CEO, spoke at a chamber event in our community about two years ago. They've outlined 10 goals that they want to see from a pharmacare system—and that's just a pharmacare system, not necessarily a universal pharmacare system. What are the goals of the drug prescription and distribution system in Canada?

Again, obviously, the meetings are going on between the province of Ontario and the stakeholders, and there is a lot of interest in this. But again, I think all of us want to be part of the solution to this, and making sure that we have the system that is best for the taxpayer, for the patients and for the health care system across Canada.

The third issue I'd like to cover today—and I covered this briefly in last year's presentation—is that the city of Kitchener, the city of Waterloo, Guelph, Brampton and the region of Waterloo, about two or three years ago, made an initial submission to the province of Ontario and the federal government for upgrades to the CN north mainline, which is a track that runs from Union Station out to Kitchener. It will accommodate two-way, all-day GO service for us in Kitchener-Waterloo eventually, but also will run through Guelph and Brampton as well.

Again, we're quite familiar with the current political climate in the province of Ontario. Everybody wants increased GO service, and we do too. But what we have attempted to do in our submission is provide to both levels of government, the federal and provincial governments, the economic and social benefits of this particular proposal.

As discussed last year, essentially, the proposal draws upon the current experiences in California with Silicon Valley, where you have San Jose, San Francisco, and then all these tech clusters in between the two communities that are connected by a very effective rail system.

1330

Really, that's what we envision for the corridor between Union Station and Kitchener-Waterloo. This is a world-class opportunity. It's not just a matter of saying, "Yes, we should have the funding because we should have the funding." We've developed a pretty specific

proposal projecting how many jobs would be created, how many start-up opportunities would be created and how many new technology companies would be created within this corridor. It's a very compelling argument, I think, as to why the investment should be made into the infrastructure along this corridor.

Generally, the increased taxes that would be provided by more people working in this corridor would cover the initial costs of the construction that would be required to do the initial upgrades that would allow for this. Again, we've been working on it for two or three years. City staff in our communities have been in contact with city staff in Toronto.

The mayors—Mayor Tory, Mayor Vrbancovic in Kitchener and Mayor Jaworsky in Waterloo, a former BlackBerry employee—are very connected on this proposal right now. Certainly I think all of us would like to see this move forward so we can further develop our economic opportunities in Waterloo region, create jobs and provide an increased tax base through more people working and paying taxes to all three levels of government.

Again, thank you very much for the opportunity. I would be pleased to take any questions.

The Vice-Chair (Mr. Peter Z. Milczyn): Ms. Vernile has questions.

Ms. Daiene Vernile: Thank you very much, Art, for that comprehensive report. I appreciate the fact that you made it here to Windsor, considering what the weather has been like for the past couple of days. We hope you have a safe drive home.

We were in Hamilton yesterday, we're here in Windsor today, and the stories that we're hearing in these communities—and we're travelling to other places in Ontario later this week—are challenges with economic and social issues. But quoting from your document, in your region, your story is that you have a "smoking-hot economy." I appreciate the fact that you also note that Ontario is poised to be among the fastest-growing provincial economies in Canada in 2016; that's very exciting to hear, and it's no doubt in part due to the investments that our province is making in infrastructure.

I'd like to hear from you about how the Jobs and Prosperity Fund and the Southwestern Ontario Development Fund are impacting your community. In fact, recently I made announcements at Ontario Drive and Gear, DC Foods, and Ball Service Group. At these three locations, we invested in their productivity and in their equipment. They were able to hire people and buy new equipment.

I had an astonishing conversation with Carol Simpson at the Workforce Planning Board, who told me that currently in your region there are 2,000 jobs that are sitting vacant in manufacturing and they can't fill. They're trying to find people.

These particular funds that we currently have available in Ontario: How are they impacting you?

Mr. Art Sinclair: Well, just to follow up, the "smoking-hot economy" is London as well; it's not just

Kitchener-Waterloo. But again, a lot of it is that the lower Canadian dollar has led to increased activity on the manufacturing side. It's not just our community; London, I think, has seen some significant uptake as well. I think in Windsor-Essex and Sarnia-Lambton things are better than they were a couple of years ago, and that's good.

But you mentioned some of the organizations that have been supported with the Southwestern Ontario Development Fund and the Jobs and Prosperity Fund. Another one is Arnold Drung's Conestoga Meat Packers out in Breslau, a major pork manufacturer. With the closure of Quality Meat Packers and the new trade agreements with the CETA and the Trans-Pacific Partnership, that is a huge growth opportunity, the food-processing sector, particularly swine, pork products.

Again, I think I mentioned this in the presentation: These investments are in innovation; they're into new technology. I know that with Conestoga Meat Packers—I know Arnold Drung quite well; he's quite active in our organization. He was investing in new machinery that will allow him to process more animals in a day. That's the key thing: that we in fact maintain that commitment to the new technologies that are going to allow us to increase our productivity levels.

You mentioned, as well, the issue with respect to employers that are looking for employees. We have a particular issue in Waterloo region, but it's across the province of Ontario. It's across Canada. If you go to the Canadian Chamber of Commerce and the Ontario Chamber of Commerce's annual general meetings—there are chambers of commerce in the Maritimes that are having problems finding skilled employees. Again, that's an ongoing issue, as well, to make sure that we have a match of what employers want and the skills that employees have.

I think from our perspective in Kitchener-Waterloo and Waterloo region, over the years, historically, the University of Waterloo, Conestoga College and Wilfrid Laurier University have been very good—particularly Conestoga College—at working with the local employers and saying, “Okay, what do you want? We will supply that talent for your operations if you tell us: What are the people you need? What are the skills you need down the road?”

Ms. Daiene Vernile: I want to speak to your comment on all two-way GO train services and to assure you that we are on schedule to meeting our goals. I met recently with Bruce McCuaig, the CEO for Metrolinx, and our transportation minister, the Honourable Steven Del Duca, was at that meeting, along with all of the other mayors who are along the Kitchener line. We do have a critical path moving forward. We have some good meetings that are happening with CN Rail. You know, there is a 30-kilometre stretch of track between Georgetown and Bramalea that we don't own right now; CN Rail owns that. We've been piggybacking on that line with GO trains. As soon as we address that piece, we're looking at increasing the flow.

Once that happens, tell me what you're anticipating for Waterloo region.

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you very much. Although that's all the time we have for this witness, it was an excellent question and I'm sure we'll find the answer eventually.

Mr. Art Sinclair: Thank you, Chair.

ASSOCIATION OF MUNICIPALITIES OF ONTARIO

The Vice-Chair (Mr. Peter Z. Milczyn): Our next witness is the Association of Municipalities of Ontario. Good afternoon. You have 10 minutes for your presentation, and then there will be five minutes of questions. This round of questions will be from the official opposition. Could you please state your name for the official record?

Mr. Gary McNamara: Thank you, Mr. Chair. My name is Gary McNamara and I'm the president of the Association of Municipalities of Ontario.

Municipal governments are mindful of current economic challenges, and we live, eat and breathe this reality every day. We offer a modest list of changes that would have proportionately greater outcomes for communities, some with little or no cost to the Ontario government.

The ongoing upload that began in 2008 of some previously downloaded provincial programs must continue to full maturity until 2018. Why? Because the funds that are no longer sent to the province are being invested in municipal infrastructure and services.

From 2003 to 2008, before the upload, infrastructure spending averaged almost \$4 billion annually. From 2008 to 2012, it averaged above \$6 billion annually, with \$8 billion in 2010—that was the stimulus year—and for 2013, municipal investments exceeded \$7 billion. Both orders of government have been upholding their sides of the agreement, and there should be no cause for change.

It has been suggested that municipal governments have done much better than other sectors such as health and education, but let me remind all of you that municipal governments were saddled with over \$3 billion in provincial costs to fund, a gift that others did not receive, so our starting point was very much behind the others.

We urge the continued honouring of this landmark agreement to 2018 and again caution against the assumption that the upload offers space for new spending to pay for provincial statutory changes across government. Every dollar to support a new regulation will detract from the needed infrastructure investment and related economic spinoffs.

The Ontario Municipal Partnership Fund: While the upload agreement continues to be valued, not all municipal governments have the same economic basis. Many only have a very limited assessment base and non-residential assessment, plus residents with low disposable household incomes. They have seen the Ontario Municipal Partnership Fund reduced by \$91 million from 2012 to 2016, forcing many rural and northern communities to raise property taxes and reduce services. For almost half of Ontario's municipal governments, a 1% property tax

increase raises just \$50,000. These governments fully understand the constraints their citizens have to absorb with property tax increases. OMPF is essential; it is their major source of revenue.

The upload agreement included funding commitments for the OMPF to 2016, but the going-forward envelope has yet to be established. We urge an increase to the OMPF of at least \$11 million in 2017 to reflect inflationary adjustment and stronger recognition of those areas where there is no or little population growth. In particular, these dollars should be directed to municipalities with the most pressing fiscal circumstances, and particularly those communities with high percentages of farmland and managed forests, which are taxed at a heavily discounted rate, as well as large areas with crown land, which is non-taxable land and cannot contribute to the assessment base.

This change would bring the OMPF to \$516 million, just slightly more than was allocated in 2015. They don't make calculators with enough zeros to say how small a portion of Ontario's total revenues this \$11 million represents, but it's eight ten-thousandths of a per cent. It is desperately needed to meet pressing economic realities in small communities.

1340

Emergency service costs broadly have been increasing at three times the rate of inflation annually since 2002. For example, annual policing costs are likely to exceed \$5 billion this year, which is two and half times the value of the upload. Fire service is similarly growing. Salaries are a major driver to these costs.

EMS salary bands already reflect the risk of their work, so the public are struggling to understand why the cost-of-living adjustments are higher for this group of employees than others.

New research has revealed that had police and fire personnel received the same economic adjustment as other municipal employees from 2010 to 2014, the cumulative savings would have been \$485 million. This includes \$72 million in fire service savings and \$111.6 million in police service savings in 2014 alone. These extraordinary sums of money are the true cost of the failure to address interest arbitration reform. Will 2016 be the year we finally get to a better place, where salary adjustments have a better association to capacity to pay and how other employee groups are treated?

Municipal governments own 67% of the infrastructure in this province. As noted previously, we are making some inroads but we certainly have a long way to go. For example, it is estimated that the capital repair backlog for social housing alone is \$1.5 billion. The deferred maintenance for roads and bridges, water, waste water, stormwater, transit, conservation authorities and solid waste is \$5.9 billion in 2006 dollars. Then there are the new capital needs such as transit, social housing and roads.

Where we have to go involves more investment in deferred maintenance for all assets so that the existing infrastructure can meet its life expectancy before it needs

replacement. This is important to smaller and larger municipal governments. While large strategic projects can invigorate the economy, so can small projects help local economies across all Ontario.

Program design that treats all municipal governments and service delivery managers fairly and equitably is how we will advance progress. No community should be left behind. Every municipal government should have a better sense of what it can count on so that it can do the best possible infrastructure finance planning.

Can we figure out how to achieve this? Yes. The time is now for a made-in-Ontario trilateral approach that fits our needs and our circumstances, and we need to be at the table together.

The Toronto act deliberately gave the city the authority to use or not the authority. AMO and many others requested that the same permissive authority be transferred to all. Toronto and its citizens looked at different approaches and figured out what worked for its circumstances. Why do you think other cities should not have the same ability? Are they any less capable of doing the research and analysis? AMO supported the transfer of authority, acknowledging that for Ontario's other 443 municipal governments, it may not be used or achieve fiscal sustainability, but they should be able to decide for themselves. We restate the request that all municipal governments should have the discretionary authority.

Joint and several liability reform: Municipal governments are increasingly the targets of litigation when other defendants do not have the means to pay high damage awards. This exposure has contributed to higher risks which, in turn, drives up insurance costs and settlements.

The Legislature passed a resolution with all-party support to seek solutions. We had arrived at several options that provided some limitation when others cannot pay their court-determined share. We need to get back on this quickly.

Photo radar: Municipalities should be given permissive regulatory authority to use photo radar. Such authority would be consistent with existing enforcement responsibilities and could provide an alternate means for police services to uphold speed limits on Ontario roads while redirecting the efforts of police officers to other public safety priorities.

Prudent investor status: We are asking that municipalities be allowed to invest in a broader range of investments using prudent investor principles via the One Investment Program in our role as the municipalities' agent. Conservative estimates of this long-held municipal request are that it could yield an addition \$10 million to \$20 million for the municipal sector. Stretching the municipal tax dollar makes so much sense, and it's at no expense to the province. We are also asking that the eligible list of investors recognized in the Municipal Act regulation be expanded to include municipal associations such as LAS, AMO, MFOA, AMCTO, and also indigenous groups such as First Nations.

Heads and beds is the levy that the province pays instead of property taxes on such facilities as colleges,

universities, hospitals and correctional facilities. Instead, they pay a levy to a local municipality that is known as “heads and beds.” This levy, at \$75 per head/bed, has remained unchanged for 29 years. If it had kept up with inflation, today it would be \$138. Municipalities that host such facilities bear the burden of added wear and tear on local infrastructure and increased demand for public transit, policing and EMS services, to name a few. AMO calls on the provincial government to begin to adjust the fee in accordance with inflation after nearly three decades at the same fixed rate.

Power dams: One hundred and ten municipal governments host power dams and have had provincial revenue to offset the tax exemption on the dams. In its 2014 budget, the province proposed cutting these payments by \$4.4 million over four years. It has deferred this cut as it looks at options to restore municipal taxation. Given the related challenges, we request that the government fully abandon plans for any future clawbacks and restore inflationary indexing. Municipal governments should not have that held over their heads.

Simplify municipal reporting requirements to the province: In 2012, the Drummond commission looked at the amount of reporting to the province and wrote, “The information reported is often not used at the other end to influence changes in policy or service delivery.” Drummond went on, “We believe there are simply too many layers of watchers at the expense of people who actually get things done.”

The Vice-Chair (Mr. Peter Z. Milczyn): Mr. McNamara, that’s 10 minutes. I’ll pass it over to Mr. Barrett.

Mr. Toby Barrett: Thank you for the presentation. You’ve covered a number of really interesting points, as you do when you make presentations.

I’m not a municipal politician—I don’t have that background—but I represent Norfolk county and Haldimand county. Haldimand county, in our local media—and I’ve chatted with the mayors and some of our councillors around an issue of fairness. It’s a small county, about 45,000 population, and it’s very good at pinching the pennies. Something that we see in Haldimand: Their compensation rate is relatively low and their budget, compared to what they do with roads and what have you. They do need money for their Connecting Link Program. I see that as I go through the various towns in the county.

I don’t have the details, but they seem to feel that they’re being penalized for good behaviour, for balancing the books and doing the right thing. We’re a low-income area. We’ve lost OPG Nanticoke, the largest coal-generating station in North America. Our beef industry has been cut in half. Our US Steel Canada mill is threatened. So it is somewhat of a precarious situation. The problem seems to be with the provincial grants coming down, which they’re not getting because they’re deemed to be in fairly good financial shape. Any comments on that? Are you seeing this at all?

Mr. Gary McNamara: Thank you for the question. There’s no question that some municipalities have actual-

ly done the hard lifting, got their asset management programs done and their capital plans in place. That wasn’t easy. Many of them increased their taxes considerably to get their so-called house in order, those that were able to have that assessment base. But you’re absolutely correct in terms of there being many situations where communities are being turned down because of their good fiscal management over the years. This is why AMO is continuing to advocate for predictable sustainable funding through a formula base.

We see many examples, even on the federal side, on the gas tax and how it’s delivered. It’s fair; it’s equitable. Many of those communities that are getting close to an asset management program can certainly take that predictability of getting those dollars built into their capital projects for the future, because it can also be used as a debt instrument.

Mr. Toby Barrett: Mr. Fedeli?

1350

Mr. Victor Fedeli: Thank you very much. Welcome, Mr. McNamara. I appreciate you being here.

There are a couple of things that I wanted to talk about. When you said “a formula base,” I know the smaller municipalities get concerned about that, infrastructure on a formula base. Chisholm, a little township 20 miles south of where I live but in the riding of Nipissing, has 18 bridges. They don’t have any tax base other than residential. There’s a golf course there and maybe one camp, but that’s it. It’s purely a residential farming community. They don’t like to hear “formula base” because they’ve got 4,800 people who live there. They’re not going to pay for one bridge, let alone 18. How do you square that?

Mr. Gary McNamara: Well, I’ll give you two parts to that particular question. In the very first one I’m going to refer to my good friend Mayor Dave Canfield, from Kenora, Ontario. I think he has applied eight or nine times in terms of a grant for his main bridge in his community, and he has been turned down ever since.

We certainly understand the smaller communities. We had developed a formula at AMO with ROMA, FONOM and NOMA, our northern counterparts, for the smaller communities that are under the 5,000 threshold, and understandably some of those projects are obviously above and beyond what they can afford. But in the formula base, they would be guaranteed a certain base above and beyond the formula, and the rest would be shared. If we go back to the—

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you, Mr. McNamara. That’s 15 minutes. We could continue that all day long, but there are many other witnesses.

Mr. Gary McNamara: But you get the gist.

SPIRITS CANADA

The Vice-Chair (Mr. Peter Z. Milczyn): Our next witness is Spirits Canada, the Association of Canadian Distillers. Do I hear the tinkling of bottles and glasses?

Mr. Jan Westcott: You did.

The Vice-Chair (Mr. Peter Z. Milczyn): Gentlemen, you will have 15 minutes for your presentation, including tastings, so 10 minutes for your presentation and five minutes for questions. Questions for you will be coming from the third party. For the record, could you introduce yourselves as individuals and not as spirits, please?

Mr. Jan Westcott: Thank you, Mr. Chair and members. My name is Jan Westcott. I am the CEO of Spirits Canada. My colleague C.J. Hélie is with me here today. We appreciate the opportunity to speak to you.

I have brought along a few samples of products that are made right here in the Windsor area, from grain grown in southwestern Ontario, reaching all the way through to London and occasionally all the way to Brantford.

These are a couple of our international-award-winning products: Crown Royal Northern Harvest Rye, of course, has just been named the international whisky of the year; Lot No. 40, also made right here in Windsor by Hiram Walker, just won the Canadian Whisky of the Year award through a blind tasting in Victoria, BC just last Thursday. These are all products that are made right here in the Windsor area, as I said, from grain grown locally.

These are challenging times for Ontario manufacturers and Ontario agri-food processors. The first point I want to underline today is that while government policy can't be an elixir for all that ails industry, at a minimum it shouldn't impose any undue harm.

We are primary manufacturers. We go from grain in the field to finished products which we sell around the world. It means we take locally grown cereal grains, principally corn, and transform these into high-value-added consumer products that we literally sell around the world. We are an export-oriented business, with 70% of our production shipped out of the country and another 15% of our production sold in other Canadian provinces. These manufactured agri-food exports create more than jobs; they create wealth here. In fact, according to an OMAFRA study, the manufacturing of spirits in Ontario supports over 6,000 good, full-time jobs and creates \$1.5 billion in economic activity annually in the province.

Ontario has a goal of doubling the annual growth rate of agri-food exports and to create 120,000 new jobs in this sector by 2020. I just attended the Premier's agricultural summit, and she reiterated those goals and the importance of meeting them.

In order for high-value-added beverage alcohol to play its part in meeting these goals, policy corrections are required. Ontario cannot continue to impose punitive measures on the sector that represents two thirds of all Ontario alcohol exports and the one with the greatest potential for future growth.

These are exciting times for whisky and for Canadian whisky. Consumers' renewed love affair in many important markets for spirits-based cocktails, particularly those made with more flavourful brown spirits, particularly whisky, is an important key development that's taking place. New foreign markets that were heretofore largely closed to imported spirits are being opened up.

These changes, whether because of accession to the WTO or the OECD and the obligations that those memberships bring with them, or whether they're due to new bilateral and multilateral trade agreements like TPP or CETA, offer tremendous growth opportunities for Ontario spirits manufacturers.

So what's holding us back? Well, it won't come as much of a surprise to you how competitive the international trade in whisky is, with formidable brands made in Scotland, Ireland, the United States and a growing list of other countries. And it's unbelievably expensive to enter a new market and be successful—expensive and risky—with market assessments, legal reviews, regulatory hurdles; product, label and packaging design to appeal to local consumers in that market; and of course, on-the-ground sales and advertising and promotions and merchandising, all of which have to be financed in the first instance from one's home market here in Canada.

To be quite frank, Ontario's export strategy has to move beyond trade shows and trade promotion optics to a more holistic approach that looks at what policies are in place that are making it more and more challenging to operate here in the province, identifying and removing the impediments to new investment and ensuring a viable and healthy home base from which to export.

What are the returns available in Ontario for a bottle of whisky made here in Windsor, for example? I'll just pick Gibson's as an example.

It's about 20% on the retail dollar. It's 80% taken in taxes, with only 20% available for spirits suppliers to develop, make and, in the case of whisky, set aside for six, eight or more years of maturation, as well as merchandise and promote the product.

This product, Gibson's, is a 12-year-old whisky. That means that as soon as we make it, it goes into a barrel for at least 12 years. In the United States, the same bottle would generate a return of 35% to 45%. The added revenue in the United States provides a tremendous competitive advantage to American whisky makers, whether they're bourbon makers or Tennessee sour mash, when we're competing in third countries, whether it's South Korea, Vietnam or India.

There are two elements that determine an industry's profitability. One is the return or margin per unit, and the second is the volume of the units they sell. We've already seen that the return per unit sold is much lower in Ontario than almost anywhere else in the world.

In terms of our volume of sales, the second part of the industry profitability equation, Ontario fares no better. Spirits represent 27.5% of overall beverage alcohol sales in Ontario. In contrast, spirits' market share in the United States has grown in recent years and is now up to 36%. A lot of that is post-2008.

What's going on? Well, first of all, Ontario-made spirits are the only beverage alcohol products made in the province which do not have access to their own retail stores and the many side benefits such stores bring with them.

Second, additional points of sale have been given to other products in recent years, including wine at farmers' markets and, more recently, beer in grocery stores.

With a third or half of the retail stores available to beer or wine, it's no surprise that spirits miss out on many sales opportunities. These lost opportunities are rising, as consumers increasingly value convenience in their shopping patterns.

Ontario's current agri-food processing export growth strategy includes giving better access to the Ontario market to beer made in Mexico or Holland than to whisky made half a kilometre from where we're sitting right now. It's inconceivable that the Mexican state of Jalisco would provide better market access to European wines than it does to locally made tequila, or that Scotland would provide preferential treatment to American beer over Scotch whisky. Yet that is essentially the path that Ontario has taken.

1400

In addition, the spirits footprint within the only sales outlet we have, the LCBO, is under pressure as the LCBO ramps up its beer presence to compete with the new competitive grocery store sales channel. We are concerned with suggestions, as well, that the LCBO should be directed to enhance their current "pricing and mark-up strategies to better leverage their buying power." To us—and remember, they're already taking the majority of the 80% that I've talked about—that sounds like code words to simply extract more from suppliers, including Ontario spirits manufacturers, and pocket more for the treasury. As I noted earlier, we're the only sector that is restricted to selling exclusively through the LCBO, so we have nowhere to hide or to mitigate the impact of any LCBO tax increase.

In addition, even within the LCBO store system, spirits are subjected to a much higher tax burden than that imposed on beer or wine. Our analysis shows that the Ontario treasury's net income—taking out the sales tax—on spirits is 50%. It's far ahead of the 35% that they take on wine and the less than 10% that the LCBO makes on beer. On wine sold through their own private stores, the treasury's return drops from 35% to 10%. So we are paying far more than our fair share, and any increase will be felt in job losses, reduced investment and a pull-back on export development.

We would like to suggest a different approach with more positive outcomes, both for the industry and for Ontario.

Taking a page from Ontario's very effective wine strategy, we recommend that the LCBO be given the mandate to grow its share of spirits sales within its stores from 40% to 45% over the next five years—certainly doable by the LCBO.

Second, the LCBO and Ontario alcohol pricing and mark-up strategies should be adjusted to have the same net return to the treasury regardless of where the products are sold. That's to say that the Ontario treasury should receive the same amount per retail dollar spent whether the purchase is beer, wine or spirits, or whether the

product is sold by the LCBO, a grocery store or a private store. That's how virtually all other taxes work, and this basic tax-neutrality principle should apply equally to alcohol taxation.

Third, grocery stores licensed to sell beer should also be allowed to sell spirits, essentially making these stores like all the other LCBO agency stores.

Fourth, we recommend that the Ministry of Finance's annual tax expenditures "Transparency in Taxation" report be expanded to include beverage alcohol taxation.

We think these recommendations are critical if Ontario is to grow and expand its beverage alcohol manufacturing and exports.

In closing, I'd only add that the issues I have raised are not new. However, we are at an inflection point here in Ontario—

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you, Mr. Westcott.

Mr. Jan Westcott: Thank you.

The Vice-Chair (Mr. Peter Z. Milczyn): Ms. Fife, Mr. Natyshak: Which one of you wants to proceed?

Mr. Taras Natyshak: Thank you, Chair. We're going to give Mr. Westcott the opportunity to finish his thought. He was on a good line there. I think he's almost done.

Mr. Jan Westcott: All I was going to say is that we're at a critical point. Our industry is either going to progress or we're going to fall back, so what we do this year and next year is going to make a huge difference. Thank you.

Mr. Taras Natyshak: Thank you, Jan. Very nice to see you. It's always really nice to see you.

Mr. Jan Westcott: It's not the bottles, right?

Mr. Taras Natyshak: No, it's not the bottles. No, no.

Jan, you had mentioned that these issues are not new. In fact, you were probably one of the first people I met when I was elected in 2011. You articulated very well the issues that existed then, and it seems as though they continue to exist now, with the slight change in dynamic of the sale of alcohol in the province of Ontario that has added another layer, I guess, of complexity to it.

Undoubtedly the contribution that the spirits industry makes to the province of Ontario is incredibly important in terms of economic growth, specifically here in Windsor—Hiram Walker contributed to the birth of this city—as well as the current plant in Amherstburg, the Diageo plant, making Crown Royal: an enormous amount of good jobs, as you had referenced. They are good jobs. These are manufacturing/agriculture-based jobs that have a really clear and present supply chain that supports a whole host of economic growth in the province. So we get that and we certainly support it.

Ultimately, what I see and I believe what my colleagues should understand is that there's simply inequity here between alcohol sales and products in the province. I'm fully prepared to support measures that address that inequity if the province would take the leadership on it. They know these issues exist. We haven't seen any indication that they're going to specifically address those

issues, but—maybe if you could tell us—if they addressed those issues and allowed a level playing field for the spirits industry, what type of impact would that have on specifically job growth and footprint for the industry in the province? We know the economic impact, but how many jobs could we envision coming out of some parity here?

Mr. Jan Westcott: We have a very easy ratio in our business: If our sales go up 10%, our inputs go up 10%. We are a major exporter. We exported close to \$700 million last year. There's no reason why that couldn't be \$1 billion. Every million dollars, OMAFRA tells us, generates X number of new jobs.

I think it's interesting that, just at this point in time, two whiskies that are recognized around the world as the best whiskies in the world are not just coming from Canada; they're coming from Ontario. A few years ago, a whisky produced in Collingwood won similar acclaim. We certainly have the quality. What we lack are the bucks in our jeans to drive the business forward, whether it's investment in plants here to keep the plants competitive, whether it's to innovate and make new products—because that's really the leading edge of where the consumer is going—or whether it's to go into markets that are being opened up either through CETA or TPP or different trade deals that we do. If you don't have the dollars available to you and your margins are so bad that, on a global basis, other people don't want to invest in the category, Canadian whisky will wither and die.

We have all of the ingredients to succeed. We have been growing our exports, but we think we can do it at a faster pace. Could we increase the footprint in Ontario by 25%, 30% or 40%? Absolutely. We should be a billion-dollar export industry. There is absolutely no reason, with the kudos we're getting around the world, that we don't do that. Yet, we operate in Ontario with one hand tied behind our back. We can't sell in grocery stores. We're not in the farmers' markets.

One hundred per cent of the inputs of our products come from Ontario. We don't bring anything in from anywhere else. These are all made from Ontario farm products, 100%, right across the province. What's wrong with us? Why can't we get fair and equal treatment with the other guys? We're no different than the wine guys or the beer guys, but where's the fair treatment? Without that, we won't be able to grow and do that. The sky's the limit.

Irish whiskey used to be a minor category. They have passed Canada because they have invested in their business. They're now well over—is it \$2 billion?

Mr. C.J. Hélie: No, \$1.1 billion.

Mr. Jan Westcott: It's \$1.1 billion in the last five or six years.

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you, Mr. Westcott. The committee appreciates your spirited submission.

Mr. Jan Westcott: Thank you for the opportunity.

I'd like to leave them, but the rules in Ontario prohibit that.

The Vice-Chair (Mr. Peter Z. Milczyn): Those darned Ontario rules, yes, indeed.

WINDSOR AND DISTRICT LABOUR COUNCIL

PATHWAY TO POTENTIAL

The Vice-Chair (Mr. Peter Z. Milczyn): Our next witness is the Windsor and District Labour Council.

The Chair (Ms. Soo Wong): Good afternoon, gentlemen. I've got one name here. I only have Brian Hogan, the president. For the purposes of Hansard, you need to introduce yourself and your position with the labour council. You have 10 minutes for your presentation, followed by five minutes of questioning from the government side. You may begin any time. Okay? Thank you.

Mr. Adam Vasey: Thanks. I'm Adam Vasey. I'm with Pathway to Potential. I submitted my name just about a half an hour ago, but Brian has graciously agreed to give me a bit of time.

The Chair (Ms. Soo Wong): You may begin.

Mr. Brian Hogan: Thanks. As you noted, my name is Brian Hogan, with the labour council. We work with people like Adam and many others across the region to help make this a better community and a better province. Just a couple of hours ago, we were doing the same thing. We were outside on the street—it's much warmer here—working with ordinary citizens about health care and other things that need to improve to make this a better region.

1410

Premier Wynne would like to be known as the social justice Premier, and in many ways, she is. Some files that we're very impressed with, in the progressive world, are pensions, climate change and full-day kindergarten. I'm from the education sector. There are some areas, we believe—that's why we're here—where there should be some improvements.

We'll start with the Hydro One sell-off. Quite simply, that was not a campaign promise. We have not heard one citizen in the region that is for the sell-off. It wasn't even good enough for Ernie Eves, and Ernie believed in privatization. We know about Highway 407. I think he also sold the SkyDome. The progressives in this region will not let this die. We're going to keep pushing on that.

Let me give the connection to the environment. Your positive move on climate change, cap and trade, is a perfect source of your funds for the green initiatives. I know you're saying, "Let's sell Hydro One so we can build roads," and you're going to try to hold out people saying, "Yes, we need that. We need these kinds of things." Use the cap-and-trade money.

Austerity: This region needs the opposite of austerity. We lead the nation, and have for many years, in unemployment. Bay Street and the multinationals are doing quite fine. Let's continue to remember the 99-percenters.

You're going to hear from some health care people. I'm just going to touch on one thing: long-term care.

Because I'm from the education sector, you might remember—you won't remember, depending on your age—boomers were born, and that popped up all kinds of schools, all kinds of teachers, all kinds of resources. Guess what? They were paid for by tax dollars, because it's for the public good. Sixty years later, you're paying tons of taxes and all of a sudden, there's no public good for these kids that we took care of 60 years ago. We've got to think in that format. We need to work on that.

Good jobs: Obviously, every council is worried about that.

The engine of this economy is the auto sector. We need you to continue to work with the stakeholders on this file, including talking to Unifor.

The words "precarious work"—that's a relatively new term. We just need you to continue to tackle that in some way. Employers or temp agencies or moneylenders—there are more moneylenders than Tim Hortons. We need to really take care of that. Adam's going to touch on our poor people.

Injured workers: OFL and the injured workers' group co-sponsored something about WSIB. I sat in on a rally here in the region. They're getting revictimized, and they're heading down a path. That money was coming out of the workplace; that's workplace money. They're going into poverty. Social assistance: Now it's a tax-dollar drain. I'd rather they drain/use the WSIB dollars that should be theirs.

I'll focus on one thing in the report. Let's get rid of the so-called paper doctors who render decisions about care without even meeting the patients; they just read a report—no, let's get rid of them.

Health and safety: We need more people out there on the job, enforcing the laws, and more training programs, like working at heights, which is a very good program. If you really care about the workers and their illnesses, think about funding the workers and groups such as the Workers Health and Safety Centre.

Let me talk about education, the sector I know. Your government needs to deliver on affordable child care spaces. I believe there was an agreement of an NDP motion last year about \$15 a day per child. Let's tackle that. If we don't have the kids taken care of, they're off to a bad start.

I talked about full-day kindergarten. It's a great start, a great idea. It's working, but class sizes are going up. Let's get those class sizes where they belong so they actually can get a good education.

Funding for special needs must be increased. The front page of the Windsor Star is a black eye for the Ministry of Education: "Nowhere to go" for special-needs kids. We've got special-needs kids. They have violent tendencies. We've got workers who cannot get injured at work. So this is all going together, and that really is about how resources can help mitigate this. There are not enough EAs in our system at the Catholic system; that's the one I'm at.

I'll tackle another one, about mental health: There are zero social workers in the Catholic system. We have no

psychologists to assess students. Again, if they don't get a good start, they're off on the wrong start.

English-language learning programs: We have the fourth most diverse city in the entire country. We, like other communities, are bringing in Syrians. Let's take good care of them. How we take good care of them is to make sure we have the funding in the school system for English-language learners.

Go ahead, Adam.

Mr. Adam Vasey: Thanks, Brian. Again, I'm Adam Vasey. I'm the director with Pathway to Potential, which is the regional poverty reduction strategy.

We've always been encouraged in Ontario that we've had a focus on poverty reduction since 2008, and in 2009 the all-party commitment provincially to continually moving forward, to have a five-year plan on poverty reduction and to have clear targets and timelines.

Pathway is also a member of Campaign 2000 and the 25 in 5 Network for Poverty Reduction. Generally speaking, we've always been supportive of their recommendations and approaches around poverty. I think it's particularly important now, when we think of our region and the fact that in Windsor-Essex there are about 75,000 people living below the low-income measure. We have about one in four children in our community who are living in poverty. We actually have neighbourhoods where that's closer to one in three and even close to half in some parts of Essex county. I think all of us could agree that that's unacceptable. We have to do more on poverty.

I want to touch on, first of all, that it's important for us to think beyond the austerity framework or that approach because the sad reality is that typically we don't take care of people living in poverty during good economic times and then, when times are bad, we use that as a crutch. We say that we can't really make those key investments because we all have to collectively tighten our belts. I think we have to look really seriously at fair taxation, progressive taxation, which will actually help the government generate the type of revenue that is required to make investments. I think that's important.

Other key principles I just want to touch on are the importance of making work a pathway out of poverty. The reality in Canada is that for a lot of people, regardless of what province you're in, if you're working full-time, full-year at minimum wage, you're still living in poverty. I think we have to get beyond that. I know there has been some work done in the area of minimum wage reform, indexing it to inflation, but I think it's still putting a lot of people below that poverty line. We support the Workers' Action Centre's call for \$15-an-hour minimum wages.

We also want to recognize that when you look at what happened around 2009, when we were at probably the worst point of the economic recession, one of the real, positive elements of the first poverty reduction strategy the Liberals had implemented was the Ontario Child Benefit. I think it's important to recognize when policies work, and then, when we can recognize that, we make

further investments in that area. To keep making those investments is really important.

On that note, as we're looking now at a federal government that's making significant changes around child benefits, I want to point out that—especially the Wynne government, considering all the support that was given to the federal Liberals—we should stay on top of looking at what that new benefit is actually going to mean for social assistance recipients so that it's not going to put them at a disadvantage.

Also looking at social assistance reform: Again, the reality is that people who are currently on Ontario Works, despite very modest increases in Ontario Works rates over the last few years, are still worse off than they were in the mid-1990s under the Harris government. I think we have to be extra-vigilant.

Finally, I'll note that we need a national poverty reduction plan, especially with a new government. That's been noticeably absent. I think that's where the government could be a champion.

The Chair (Ms. Soo Wong): Adam, you need to stop now. I'm going to turn to the government side to start the questioning. Ms. Albanese.

Mrs. Laura Albanese: If you wanted to finish your thought, first of all.

Mr. Adam Vasey: Sure. Just that I think it's really important that now that there is a new federal government we really take this opportunity to advocate strongly as a province for a national poverty reduction strategy because that's been so noticeably absent over the last number of years.

Mrs. Laura Albanese: Thank you, Brian and Adam. Thank you to both of you for presenting to our committee today and thank you for the work that you do on a regular basis, especially in education.

You spoke today especially in regard to the most vulnerable, the most disadvantaged in our society. You covered a lot of topics. I'm looking forward to perhaps reading over your presentation. I don't know if you're going to make a written submission. That would really be helpful, especially for you, Brian. It was a touch and go on many subjects. There are some where I really got right away what you meant, and others that I wanted you to elaborate a bit. They're all important points and we will keep all of those in consideration. You're right; there's always more that we can do, and we have to try to do that as a society. We have to work together and we have to try to address the problems that are still there.

1420

Some are easier to address than others. For example, Brian, you mentioned precarious work; income inequality is growing and it's something that concerns all of us. At the same time, the government has been trying to make some progress and trying to take the most disadvantaged into consideration. The Ontario Child Benefit is one example; the community benefit agreements that hopefully will get extended is another, but there is more work to do. Thank you very much for all the work that you do.

The Chair (Ms. Soo Wong): Just for committee purposes, I was told by the Clerk that there is a written submission, but we were told not to circulate it to the committee until after the presentation.

Mr. Adam Vasey: Was there a question for us?

The Chair (Ms. Soo Wong): No. I'm going on because we have lots of speakers and we're going to be flying up to—

Mrs. Laura Albanese: Did I have more time?

The Chair (Ms. Soo Wong): Yes, you have two more minutes.

Mrs. Laura Albanese: Okay. So, I guess, in your long list, if you had to prioritize, what would you like to see in the budget, is my question?

Mr. Adam Vasey: This is the whole point about this. I think this is the hallmark of that austerity approach: We have to operate within those parameters. I'm saying, let's look at other ways to generate revenue, particularly beyond selling off public assets because I think that opens up that conversation. Then it's not about having to compete between doing something in social assistance or doing something for another marginalized group. Because the needs in our province are so great, I think we should all agree that that is a horrible choice for us to make.

I think the priority would be poverty, and recognizing that that should be in the same conversation as the economic development discussion that we're all having when we talk about jobs.

I think good jobs are absolutely a priority; tackling precarious work—we're really looking forward to seeing what comes of the Changing Workplaces Review for sure, because I think there is promise there.

I would say a comprehensive poverty reduction strategy is what's needed. Yes, having the federal government do its share and do more on the policy front, but I think this is something that is too great an issue for us to continually ignore and just incrementally address.

Mrs. Laura Albanese: Thank you.

The Chair (Ms. Soo Wong): Thank you very much, gentlemen.

ONTARIO GREENHOUSE VEGETABLE GROWERS

The Chair (Ms. Soo Wong): The next group coming before the committee is the Ontario Greenhouse Vegetable Growers. The Clerk says that there is a handout to be circulated.

Good afternoon. Welcome. We have three names here, but I see that there are two of you. For the purposes of Hansard, can you please identify yourself as well as your position within your organization? You have 10 minutes for your presentation, followed by five minutes of questioning. This round of questions will be coming from the official opposition. You may begin any time. Thank you.

Mr. Richard Seguin: Thank you, Madam Chair. My name is Richard Seguin and I'm the general manager

with the Ontario Greenhouse Vegetable Growers. I'm joined today by my colleague.

Dr. Justine Taylor: I'm Justine Taylor. I'm the energy and environment co-ordinator for the Ontario Greenhouse Vegetable Growers.

Mr. Richard Seguin: Thank you, again. Je ferai ma présentation en anglais, mais des questions et commentaires en français seront également bienvenus.

I've been with the Ontario Greenhouse Vegetable Growers only since September 2015, that's why I'm accompanied by my colleague, Dr. Justine Taylor. She will provide additional experience and help answer any questions that the committee may ask. You have copies of our presentation which I will summarize today.

We have three messages for the committee. Firstly, that the Ontario greenhouse vegetable sector is an important contributor to the Ontario economy, and that it continues to grow. Secondly, this growth is at risk from policies that could reduce the relative competitiveness of the sector when compared to international competitors. Finally, we'd like to focus on five specific policy areas where we request parliamentary consideration be given to ensure our continued competitiveness.

You are doubtless aware that the Ontario agriculture and food sector has been an engine of growth for the Ontario economy. Within that, the greenhouse sector has provided over \$1.5 billion annually in farmgate revenues. The greenhouse vegetable sector accounts for 60% of that total. Greenhouse vegetables will cover over 2,600 acres this year, up over 100 acres from last year.

You may not know this, but the sector has experienced a cumulative annual growth of almost 6% per annum for the past two decades. I do not know of any other sector in Canada that has experienced consistent growth of that magnitude. There is real opportunity for such growth to continue. In the next five years, the sector is poised to invest more than \$500 million in incremental construction, creating close to 3,000 jobs and contributing \$4.6 billion to the Ontario economy. During that same period, we should see over \$4 billion in sector exports.

Our second point is that this potential growth could be at risk if non-competitive policies are enacted in Ontario. The risk is real that this investment will move to neighbouring jurisdictions which have more favourable business climates, such as Michigan or Ohio. There are five policy program areas identified in our submission where changes could ensure a continued competitive environment for our greenhouse growers.

First among these is the need for competitive energy rates. Our strategy is to move towards 12-month greenhouse production, allowing us to retain our markets during the winter months and to provide our customers with the fresh local produce they demand. This requires a significant investment by growers in lighting and heating technologies. Such an investment will only occur if growers have access to competitively priced off-peak electricity. Moreover, in many areas of Ontario, energy infrastructure is at capacity. We ask that the Ontario government support expanded electrical infrastructure

and work with our sector to design programs allowing for competitively priced electricity to greenhouse vegetable production in Ontario.

Secondly, the planned cap-and-trade initiative for Ontario requires higher costs for fuel and electricity. If administered at the distributor level, such costs will likely be passed on to end users, including Ontario farmers. We therefore recommend that the Ontario government undertake a full regulatory impact assessment of the cap-and-trade initiative to assess its economic impact on open sectors such as the greenhouse industry. Moreover, we request that the government grant an initial exemption from cap-and-trade for distributors of fuel delivered to agricultural production.

A third area of concern for greenhouse growers is the high level of phosphorus entering the Great Lakes. Our growers are committed to assisting in reducing phosphorus loadings; however, the Ministry of the Environment and Climate Change is insisting on imposing expensive environmental compliance approvals, or ECAs, for all greenhouses in the sector. Greenhouse growers would much prefer to invest in on-farm actions that deliver tangible reductions to phosphorus loss from greenhouses rather than follow regulatory processes that do not address the problem. The Ontario Greenhouse Vegetable Growers ask the Ontario government ministries to work collaboratively with the sector on actions to reduce phosphorus loadings of the Great Lakes.

The fourth area we highlight in our submission is the review of the Employment Standards Act. The two largest costs to the greenhouse sector are labour and energy. We've already spoken about energy. Any changes to the Employment Standards Act could immediately and directly impact the competitiveness of our sector. Our growers rely heavily on local labour supplemented by foreign workers, particularly through the Seasonal Agricultural Worker Program. This program helps keep labour costs manageable, allowing us to compete against developing countries where labour costs are lower. The Ontario Greenhouse Vegetable Growers request that any changes contemplated to the Employment Standards Act be reviewed for their impact on the competitiveness of the Ontario fruit and vegetable sector. In particular, non-resident workers should be excluded from any additional regulations.

Finally, we have emphasized the international competitiveness of our sector. Currently, around 70% of our production is exported, virtually all of it to the United States. Our growth requires continued market development efforts. We are targeting the pan-Pacific region and further expansion in the southern and western United States.

1430

Existing programming has been very important to our market development efforts. In the domestic market, these include Foodland Ontario, the Local Food Fund and Growing Forward 2 programs, among others. Such programming is invaluable in leveraging our resources, directed both at retail and food service markets.

In conclusion, the Ontario greenhouse sector is healthy and strong. It will contribute to the Premier's challenge of growth in jobs. We look for an understanding of the competitive nature of our business and for a collaborative spirit from the government in designing and implementing new policies, programs or regulations.

I thank you again for the opportunity to speak to you today, and we welcome your questions and suggestions.

The Chair (Ms. Soo Wong): Thank you very much—Oh, this is really loud; I think I just woke up everybody.

Thank you very much for your presentation. I'm going to turn to Mr. Fedeli to begin this round of questioning.

Mr. Victor Fedeli: Two very quick questions: A couple of years ago, we toured a large greenhouse in southwestern Ontario, and they talked about their plans to spend \$100 million building a twin greenhouse beside their existing facility. I ran into them at a Queen's Park reception, just a couple of months ago, and I said to them, "How did that expansion go? Did you ever go ahead with it?" He said, "Yes, Vic. We spent \$100 million on a twin greenhouse, but we built it in Ohio"—I think you know who I'm talking about—"because of the high energy rates in Ontario."

How prevalent is that? How serious is this as an issue for you?

Mr. Richard Seguin: I think that example shows the risk. Certainly, there are opportunities south of the border for our growers to get more competitive energy rates and other costs. But at this point in time, I would say it's a bit of an isolated case. So far, our growers are here in Ontario and wish to stay in Ontario.

Mr. Victor Fedeli: He told me of his buddy who did the same thing and built an \$85-million facility in Pennsylvania, so I'm starting to think that it's more prevalent than singular.

My next very quick question will be on the ORPP, the registered pension plan. What do you see as the effects of that in your particular sector?

Mr. Richard Seguin: The ORPP, if implemented as proposed, would immediately impact—

Mr. Victor Fedeli: I'm afraid I couldn't hear you.

Mr. Richard Seguin: Is that better? Yes.

The ORPP, if implemented as described, would immediately impose costs on all producers and all growers who have labourers. Our concern is that our competitive situation is with other countries. We export 70% of what we produce, so we have to be competitive. These are costs that would be unique to Ontario growers, the Ontario industry, and we would be disadvantaged by that.

Mr. Victor Fedeli: I'll pass it to Mr. Barrett.

The Chair (Ms. Soo Wong): Mr. Barrett?

Mr. Toby Barrett: I think in greenhouse operations south of Leamington here you have access to natural gas, but when talking about the 6% increase in production, I don't know whether you have the pipeline or the quantity for future access. Any comment on that?

Mr. Richard Seguin: I'll pass it to my colleague.

Dr. Justine Taylor: With regard to natural gas or electricity or both?

Mr. Toby Barrett: I couldn't hear you. Sorry.

Dr. Justine Taylor: With regard to natural gas or electricity or both?

Mr. Toby Barrett: I was thinking more of natural gas. You have natural gas, but do you have the quantity? Do you have the diameter pipeline?

Dr. Justine Taylor: Right now, the area is at capacity. Union Gas is planning a new pipeline to go into service in the fall of 2016, this fall. After that, they'll require an upgrade to the Panhandle system, which is a larger upgrade. All of these upgrades are on the books for Union Gas and they intend to go ahead with them, so we don't anticipate that to be a problem in the long term.

Mr. Toby Barrett: Okay, that's good news.

The algae blooms in Lake Erie: We know it comes down the Maumee River in Ohio and the upper reaches of Indiana. We have nutrient management legislation in the province of Ontario, and it was a lot of work. The greenhouse growers were involved in that, going back 15 years ago. The structures in place in the province: Are they not adequate to deal with this in the province of Ontario? I'd like to think that the problem is Ohio, and I wonder what's coming out of Detroit across the way here. Any comment on that?

Dr. Justine Taylor: I think the important thing to note is that the phosphorus reduction targets are applied to specific areas as well as to the entire Lake Erie. Leamington tributaries have been specifically targeted as an area that needs to reach a 40% reduction. Even though Canada might have a much smaller contribution, it's still important that we all do our part to reach that target.

Nutrient management at this point in time only covers a very small sector of agriculture: manure application in operations that are above 300 nutrient units, which is quite large, and it doesn't cover any application of synthetic fertilizer to field crops. That's not currently captured under nutrient management.

Greenhouse nutrients were captured under nutrient management at the beginning of 2015, so we have growers who are making use of that regulation now.

Mr. Toby Barrett: The electricity incentives that you mentioned here, the misalignment—say, running greenhouses lit probably 24/7, a 12-month production cycle. I can't remember. I used to run a greenhouse; I just can't remember the hours now. That doesn't fit with smart meter systems and what have you. Is that the point here?

Dr. Justine Taylor: These two programs specifically opened up to include greenhouses about two years ago, I think. The problem was one of the programs. The cap on the program is still too high to be implemented. These programs would be geared towards growers who are looking to install grow lights, so it would only be the larger producers.

Mr. Toby Barrett: They're exempt from time-of-use pricing?

Dr. Justine Taylor: It would be a little bit of a mix right now in terms of who is on time of use. Some are still on—I forget what it's called—a different rate, anyhow, not the time of use.

The Chair (Ms. Soo Wong): Okay, I'm going to stop you. Thank you, Ms. Taylor, and thank you, Mr. Seguin, for being here, and your written submission as well.

ESSEX COUNTY HEALTH COALITION

The Chair (Ms. Soo Wong): Okay. The next group before us is the Essex County Health Coalition. I think the Clerk has a written submission from this group. Welcome, ladies. I believe we have Kim DeYong and Sandra Dick. Right? Am I correct? When you begin, can you please identify yourselves for the purposes of Hansard? You have 10 minutes for your presentation, followed by five minutes of questioning. This round of questions will be coming from the third party. You may begin any time.

Ms. Kim DeYong: Hello, honourable committee members. Thank you for the opportunity to speak today. My name is Kim DeYong. I'm the chair of the Essex County Health Coalition and a member of Save Leamington OB. Joining me today is Sandra Dick. She's also a member of Save Leamington OB.

We're here today to request a stop to the devastating cuts to our local hospitals and to restore funding at least to the average of the other provinces. This is Ontario hospitals' ninth consecutive year of real-dollar cuts to their global budgets. The Leamington District Memorial Hospital has experienced cuts as a result.

In 2010, we lost two ICU beds, six rehab beds, five med-surg beds, two CCC beds; a total of 17 beds out of a 65-bed facility. This is a 26% loss. In 2014, we lost 15 RNs, nine RPNs, and 12 PSWs. And then, in 2015, we were faced with losing our entire obstetrics unit.

Due to a funding shortfall, the unit was to be closed and all births were supposed to move to Windsor Regional Hospital. At the time, Windsor Regional was running at capacity and some women were required to labour out in waiting rooms. It seems there was very little planning as to what was going to happen to these rural women who were being shipped off to the city to give birth.

Although we were able to save the OB unit—and we're really grateful for that—as you'll hear from my colleague here, hospital cuts have affected patient care and can have unexpected ramifications.

Sandra?

Ms. Sandra Dick: Hello, and thank you for allowing me to speak to you today.

Back in October 2014, I was just over three months pregnant with my second child when the announcement was made that Leamington District Memorial Hospital would be closing its obstetrics unit because of a funding shortfall. Knowing that my first labour was quick and I had been warned of an even quicker second delivery, I was particularly concerned about this closure and the risk of a roadside delivery on the nearly hour-long drive to Windsor.

While I should have been focusing on me and my unborn baby's health, I instead spent my pregnancy

working with the Save Leamington OB group to save the service we deserve and need. You can imagine how unsettling it would have been to not know where I was going to give birth.

1440

I worked as part of this group not just for me and for my baby, but for the many vulnerable women in our community. There were many women in a similar situation as me, unsure of where we would be able to birth our babies, particularly worrisome to the unique population of women in our community who are known for their fast deliveries.

The expert panel created to study the need in our community concluded that we unequivocally need obstetrics services in Leamington. We've celebrated that victory and are very grateful for a return to funding for our department, but the funding uncertainty appears to have had lasting negative repercussions for our community and the department. Over the past year, we've lost a number of qualified and valued nurses, who have moved on to other departments and hospitals in search of greater stability in their work environment.

More recently, and even more concerning, we've learned that our only OB will be leaving Leamington hospital because of this funding crisis and the uncertainty of our OB department's future. Our OB department may have been saved, but this has been truly a hollow victory, as there's not much of an OB department without an OB.

Ms. Kim DeYong: We want to thank the community that rallied; the local and provincial politicians who showed up to support us, we want to thank you. We want to thank the expert panel and the minister for recognizing the necessity of our OB unit for the health and safety of women and babies in our rural community.

We need the hospital funding cuts to end. We need to not be put in a position where we have to fight to keep our health care services, because as we've seen, even when the service is found to be necessary and is saved, the uncertainty makes it most difficult for our hospitals to attract and retain doctors.

We ask for an end to the nine years of cuts. We ask for funding for our hospitals so that they are places where we can not only go and get great health care, but so that they're secure places of employment for our doctors and medical staff to choose for their careers, so that the communities that these hospitals are in remain vibrant places that families will want to come and settle in. We need the cuts to stop, for the sake of our health and also for the health of our communities. Thank you.

The Chair (Ms. Soo Wong): I'm going to turn it over to Mr. Natyshak to begin.

Mr. Taras Natyshak: Thanks, Kim. Thanks, Sandra. Thank you so much for the work that you did, for fighting relentlessly for your community, to save OB in Leamington. It was absolutely your efforts, along with that beautiful community of ours, that came together in Leamington. You guys packed the house. You sent a signal to the LHIN, to the board, to the Minister of Health, that this place was not going to go down without an enormous fight.

I recall you coming up to Queen's Park with the little baby booties. I delivered them to all the members on their tables. I got in trouble for doing that, but it made that visual reference of what was in jeopardy: the ability to live in the community of your choice and to raise a family.

This is going to be commentary, because I agree wholeheartedly with your position. Universal publicly funded health care, accessible across the province, across the country—there's no more arguing about its viability, its importance, its effectiveness and efficiencies. We see what happens in the States, where 50% of all bankruptcies are caused because of health care-related costs. That's the trajectory that we're heading down, given the cuts that are happening within our publicly mandated system.

I wonder to myself: When are we ever going to be able to stop fighting for the basic human right: access to health care? If it isn't OB, it's neonatal; if it isn't that, it's thoracic treatment; if it isn't that, it's basic diagnostic treatment in our acute facilities. It's unfathomable that a government couldn't prioritize and manage their finances enough to provide the basic health care for our communities, something we've done for generations.

We talk a lot about waste and mismanagement. I'm going to get right on it. Are you aware of an Auditor General's report that points to \$9 billion in P3? Is it \$9 billion or \$8 billion?

Ms. Catherine Fife: It's \$8 billion.

Mr. Taras Natyshak: It's \$8 billion over nine years; I get them mixed up. That's \$8 billion that the province has left on the table in financing infrastructure in this province, through a public-private partnership model. That's \$8 billion of public dollars that have not gone into public health, have not gone into education, have not gone into more infrastructure. That's \$8 billion that have gone singularly into the bottom-line profits of massive conglomerates that bid on these P3 construction projects—\$8 billion.

What do you think we could do with \$8 billion of extra cash in our health care system alone? There's a question for you.

Ms. Kim DeYong: It would definitely be more appealing for people to come knowing that the funds would be there, that the unit would be there and that they would have a job. Our OB, whom we're losing, relocated her family. She has a young family. She relocated her family, and now she's moving because of the uncertainty of the unit.

Mr. Taras Natyshak: You warned of that, Kim, when we were fighting this fight. You said that if there is not stable funding, we're going to lose this profession. They're not going to be here. It's almost as if it was by design, because when you choke the system, these health care professionals are forced to leave and go to large urban centres where those services are fully funded and guaranteed. You can't blame them for doing that.

The community of Leamington: I heard that Highbury Canco is hiring. There's a resurgence happening in that community; there's growth. Do you not think that the

government should acknowledge that this is a community that should not be abandoned and should be supported? We hear that greenhouse growers are ready to invest \$100 million tomorrow if they have access to affordable hydro. Are we setting ourselves and our communities up for failure, and do you think there's a different way to do it?

Ms. Kim DeYong: Sometimes, being from a small rural community—this is who you represent, so I'm sure you know—you feel a little left out when you see the kinds of services and funds that go to the big metropolitan areas. We've chosen to live in our small, little rural community, and we want the services there. We've had them and we're seeing them be gone.

It's not like we're asking for something that we haven't had. These are services that we had. Leamington hospital used to have a full floor of pediatrics. That's gone. We've been losing over the years. Just because we choose not to live in big urban centres doesn't mean we don't deserve these services. We pay the same taxes as they do in Toronto.

Ms. Catherine Fife: I'm really glad you raised that point, because the CEO of Windsor Regional just made that point to us. Unless the base funding for hospitals is significantly changed, smaller rural communities that are remote will be paying the price for growth in other jurisdictions. He said that this was the fifth year of a frozen budget, which really is a cut because the needs continue to grow. Thank you for raising that issue.

The Chair (Ms. Soo Wong): Thank you very much, ladies. Thank you for your presentation and your written submission.

PREGNANCY AND INFANT LOSS NETWORK

The Chair (Ms. Soo Wong): The next group coming before us is Glenwood United Church. I think the Clerk just told me that it's also the PAIL Network.

Good afternoon. It's Rev. Dr. Catherine Collins-Barker, right?

Rev. Dr. Catherine Collins-Barker: That's correct.

The Chair (Ms. Soo Wong): Good afternoon. I believe that the Clerk is coming around with your written submission. You have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from the government side. You may begin any time.

Rev. Dr. Catherine Collins-Barker: Ladies and gentlemen of the Standing Committee on Finance and Economic Affairs, I thank you for this opportunity to speak to you with regard to why funding should be allocated in the 2016 provincial budget particularly in support of Bill 141, focusing on maternal health, pregnancy and infant loss research, support and care.

As mentioned, I am Rev. Dr. Catherine Collins-Barker. I'm an ordained minister of the United Church of Canada, currently serving Glenwood United Church here in Windsor. I have served in Sarnia-Lambton and Chatham-Kent in previous years. I'm also a member of

the PAIL Network, which is a network of people committed to making a positive difference to those affected by pregnancy and infant loss.

Throughout my 25 years in ministry, I've been called into situations where both mother and parents are in shock, grief and mourning when they learn of the death of their baby at any age along the path to natural maturity. This grief is compounded, however, when the mother is met in emergency care, and after a miscarriage or the fetus is naturally aborted, there are questions left unanswered and, in many circumstances, both mother and father are left alone until the room they are in is needed for the next patient.

I have stood in an ER room and been asked to bless the "baby" who was considered a miscarried fetus of less than 20 weeks. I listened to the parents cry as they overheard hospital staff state that this is medical waste and would be cleared away soon, not realizing the connection of these young bereaved parents who were still present in the room.

I listened to this same mother cry months later when she told me that there was no follow-up care for her at home when this took place. Questions and concerns were raised to me as to why this baby died and whether or not something similar could happen to a subsequent pregnancy.

I've also been invited into a hospital maternity ward to be with a couple who experienced the welcoming of twins into their family. Their joy was mixed with sorrow, as one twin was alive and the second baby came into this world without receiving the breath of life. Not only did these parents experience life; they were also experiencing the initial grief of what should have been. They were given only a brief time to spend with their infant son before "it" was taken away. The staff person doing so told them that they should be glad they had one healthy baby to take home.

1450

In meeting with this family, we prepared celebrations of thanksgiving for both of their children, honouring and naming their child whose existence on earth was short, and rejoicing in the life of the baby who was healthy and would continue to live. After these parents went home, the support they received was only to the mother for her postnatal care and the care for the living child. There was no mention of the death of the twin, no attention paid to the grieving and bereaved parents. It was because of my role as minister that I was able to help both parents grieve and mourn their son's death and the dreams they held for both of their children.

I myself have two children. When I was pregnant for my second child, I received word that a young couple in one of my congregations, whose baby was due three weeks prior to my own child to be born, had learned that their baby's heart had stopped beating. I was called by a family member to assist this young couple after she had been induced to deliver a stillborn baby. They did not have an opportunity to see the infant prior to the baby being taken to a funeral home, and had gone home to face a room prepared to welcome their daughter. Yet

instead of preparing for a homecoming, we shared in the preparation of this infant's funeral.

The mother did receive a postnatal care visit, but there was no mention of the baby's name, the funeral celebration that was planned or anything else. The father was neglected. Having completed several programs for pre-natal and postnatal grief and bereavement training, it was I who aided this couple through this traumatic loss. It was difficult for all of us to share this together because of my own pregnancy. Yet when I welcomed my second son, this couple came to me out of thanksgiving for helping them when it seemed no one else did. Yes, it was difficult for them to see me with my healthy baby boy, but we worked together through their grief and shared in the stories of what their dreams had involved.

More recently, I received a phone call through my church's website from the father of a young woman whose infant was born with many physical problems. The baby lived only in the hospital for three months under critical care. It was through the father's call, which came six months after the death of the baby, that I was able to offer spiritual support as she was trying to understand her daughter's death from a faith point of view. When the father of this young woman called me, crying, on the phone, he asked me if I could do a special blessing to bring peace within his daughter's heart and to offer the same to the rest of the family, whose lives were torn because of the death of this baby.

I met with this young woman, her family members and her other child over the course of eight months, and they were able to grieve, mourn and establish a sense of hope and a renewed faith because someone was willing to listen. This woman told me that she had received only a postnatal visit within a few days of the baby's birth and nothing else after the death of the baby, even though the baby was in hospital for three months. She was left alone.

As a minister of a church, I am called to share in many situations. One of the most difficult is when a parent loses a child at any age, be the child 60 or less than a year. Burying a child is not what society accepts as normal, and when grief and mourning are complicated by people's inappropriate words or inactions, this only further complicates the loss and the parents' inability to grieve.

Bill 141, regarding maternal health and pregnancy and infant loss, research, support and care, addresses these concerns. Now is the time to put into action funding to support best practices in this area of health care for all mothers and parents alike.

In my years of ministry, I have seen some changes happen with education of nursing staff regarding pregnancy and infant loss not only in the maternity wards, but in emergency as well. But there is a long way to go, especially when it comes to spiritual and cultural considerations regarding pregnancy and infant loss. This includes not only training medical staff in both what to say and what not to say to grieving parents as they honour their child in death, but giving them the time to do so. It means enabling families to receive spiritual care that is appropriate to their faith.

Many families today do not identify themselves as belonging to any specific faith group, yet the questions of blessing, prayers and baptism of the infants must be addressed at the time of occurrence. Often this is carried out by the front-line medical staff alone, and, unfortunately, not all staff are trained in what is appropriate or from whom to seek assistance.

If the family is associated with a particular faith and culture, individuals must be contacted immediately so that spiritual and cultural needs are addressed for the family in this difficult time, primarily in support of the mother and parents as they grieve and mourn. Let us find the funding to support others who are in need of one who will take the time to listen and help in specific ways.

Gone are the days when nothing is said about infant death, and mothers and fathers cried and mourned alone. We are living in a time of instant communication, and sharing what is appropriate today is in supporting those whose infants do not cry, but their parents do. Thank you.

The Chair (Ms. Soo Wong): Thank you very much, Rev. Collins-Barker. I'm going to turn to Ms. Vernile to start this round of questioning.

Ms. Daiene Vernile: Thank you very much, Reverend, for coming here today and telling us this information. First of all, how should I refer to you; what do you want me to call you?

Rev. Dr. Catherine Collins-Barker: Reverend Cathy is fine.

Ms. Daiene Vernile: Reverend Cathy; okay. I want to say to you that the work that you are doing is difficult work. It's very important and we do appreciate how you are performing in your community, so thank you very much for that.

We had a couple of presenters here this morning—in fact, they were our first delegates—they were Colleen Campo and Kim Willis. Are you familiar with them?

Rev. Dr. Catherine Collins-Barker: Yes, I know them.

Ms. Daiene Vernile: They shared much the same information about offering bereavement support for parents. I just want to know: The stories that you are telling—are they the same stories they told us this morning?

Rev. Dr. Catherine Collins-Barker: No. These are my personal stories of my interaction with bereaved and grieving families.

Ms. Daiene Vernile: Okay. You referred to Bill 141.

Rev. Dr. Catherine Collins-Barker: Yes.

Ms. Daiene Vernile: It was put forward by our colleague, MPP Michael Colle. It's a very important initiative. Give me some details on what you would like to see put forward in this.

Rev. Dr. Catherine Collins-Barker: What I would like to see is that special training for people who are working right directly within the maternity wards and with emergency staff—part of it is not knowing what to say that's inappropriate or appropriate, and how to contact with those who do have faith-based connections immediately when something happens.

Having lived in smaller communities in earlier parts of my ministry, I knew the people in the hospital in Petrolia. "We need to call Reverend Cathy; these people belong to her church." That was the connection. That does not always exist today when it comes to people going into a hospital from rural communities—which our previous speakers were talking about—going into a place where people are not known and not understood as to what's happening. The young woman or couple are left alone in a room to grieve and think and worry and fret. They have no control over what's happening. Part of that is to have an advocate that's present, someone who can come in and share with them when they find out there's some kind of problem, and then to have follow-up care.

Part of that problem is the fact that sometimes women will go home and not have any care, or have had the opportunity even to hold their dead child. When we think about why we would want to, it is a major part of our understanding of grief and bereavement to hold what has been held inside us for nine months and is now outside of our body.

The one woman I referred to, having had this baby just before I gave birth—I can think about it; my son now is 14. It comes back emotionally about what the grandmother of this one woman said to me. She said, "I don't want to put this on you. You are having your own issues." The community rallied around that young couple so well because they knew the expectation was there to have a healthy baby. It was just a matter of time.

So how do we have the support put into place? That's what we need. How do we share that? How is the training, not only in one area of the province, but across the province? When we think about rural communities or right into the city we know there are only so many dollars for funding and caregivers. How do we share that?

Not only is it in this time of life, we also think in the opposite end, too, which is palliative care, but that's another issue.

Ms. Daiene Vernile: I think you're absolutely right, though, that when it comes to death and dying, whether it's a baby or an elderly person, we're often at a loss of knowing what to say or how to support that person.

Rev. Dr. Catherine Collins-Barker: Yes. As a minister, I have gone through many kinds of training and programs, but there are very few who are in the ministry full-time today who do the extensive learning and education programs that are set forth by the province to work in conjunction, in a team approach, to caring for babies and infants.

Ms. Daiene Vernile: I know that MPP Colle is very passionate about this initiative, and if he were here now I know he would say to you, "Thank you for the important work that you are doing." We so appreciate that you came here today. Thank you.

1500

Rev. Dr. Catherine Collins-Barker: Thank you.

The Chair (Ms. Soo Wong): Thank you very much, Reverend Cathy. Thank you for your presentation and your written submission.

ONTARIO MEDICAL ASSOCIATION

The Chair (Ms. Soo Wong): The next group before us is, I believe, Dr. Albert Ng, representing the Ontario Medical Association. Dr. Ng, welcome. You have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from the official opposition party. You may begin any time.

Dr. Albert Ng: Thank you for this opportunity to provide input into your pre-budget hearings. My name is Dr. Albert Ng. I'm a family doctor here in Windsor who has been practising medicine for 30 years. I'm also a board member with the Ontario Medical Association, representing this region.

Every day, Ontario's 28,000 doctors go to work and put our patients first. For us, it's simple: There's no job more important than the health of our patients. And so I am here to call on the government of Ontario to fully fund the demand for medical care in Ontario according to the needs of our growing and aging population.

Last year alone, the government unilaterally cut, by nearly 7%, the physician services budget that covers the care doctors provide to patients. Yet the demand for medical care in the province is growing by 3.5% per year, with 140,000 new patients entering the system annually. That's almost the entire population of Prince Edward Island.

I want to take a few minutes to explain why fully funding the demand for medical care is so critical to understand, as we believe the government's actions have serious implications for our patients and their families across the province.

One of the building blocks of a healthy economy is a healthy population. The fact is, Ontario's population is growing and is aging. This is not a time for the government to decide to fund less than half of the additional care that will be needed. They don't even want to pay for new doctors to treat existing patients who are struggling to access the care they need.

By the Ministry of Health's own estimates, demand for medical care will grow by at least 2.7% per year, or \$307 million, due to population growth in Ontario, an aging population that needs more complex care, and the need for new doctors to treat existing patients who currently can't get timely access to care they need. Yet the government is only willing to fund 1.25%, or \$142 million.

The growth in demand is happening because Ontario's doctors are treating patients that need care. More care and more complex treatment are being delivered across the province. The government knows this need is increasing. We want to provide that care.

Ontario's aging population also requires more complex care, including managing chronic conditions. To make matters worse, today in Ontario, the number of patients struggling with chronic conditions is rising sharply. More than half of seniors have a chronic condition, and 25% have two chronic conditions. Since

2008, the growth rate of patients with chronic disease is triple the rate of non-chronic patients.

The Erie St. Clair LHIN is home to 21,000 patients currently without family doctors. That's 21,000 people not getting the care they need and deserve. I should note that only 61% of the population from the LHIN comes from Windsor-Essex county. This LHIN has a higher than average population of seniors, a significantly higher proportion of overweight and obese individuals, and a significantly higher rate of chronic conditions when compared to the rest of the province. In 2005, approximately 36,000 residents of Erie St. Clair were diagnosed with diabetes. That's 14% higher than the provincial average. These rates require more complex and more frequent care from doctors, yet the province has responded by cutting physician services by 7% in 2015 alone.

The government is failing to accept its responsibility to fund the system accordingly and is threatening access to the quality, patient-focused care Ontarians need and deserve, including our community here in Windsor.

In Windsor, we have worked hard to attract and retain new physicians for more than a decade. Understanding that having a medical school would help us with this cause, we advocated for and developed a satellite medical school that has helped our shortage of physicians.

Contrary to this work is one example of government's unilateral changes to control costs—managed entry into team-based primary care models and the subsequent New Graduate Entry Program—which has resulted in a number of new physicians establishing not in the preferred way of practising medicine in family health teams, which the Ministry of Health itself states is a successful example of collaborative care, but rather into walk-in clinics providing episodic care. I know that one of these physicians consequently is now considering moving to another city and likely to another province. I know of other colleagues who are laying off staff and not investing in new technologies because of the financial burden of government cuts to the physician services budget.

Wait times for accessing specialty care for my patients has been much longer than the provincial benchmarks. For orthopedic wait times, the provincial benchmark is 182 days while the local hospital states 190 days; my patients are waiting eight months to a year for an appointment. For urology, the provincial benchmark is 182 days while the local hospital reports 94 days; my patient waited one year for the initial consult. This also impacts other areas not considered by the Ontario Wait Time Strategy and therefore are not monitored and compared to provincial benchmarks: for example, gastroenterology, seven months; endocrinology, eight months; psychiatry consults only when in crisis and through the emergency room.

Recent agreements in British Columbia and Saskatchewan demonstrate how those governments have accounted for the growing and changing needs of their populations and have made the changes required by funding system growth. However, in Ontario the government is shirking its responsibility to fund natural growth in the medical needs of its population.

We understand and acknowledge the economic challenges facing the government. I would like to remind you that in 2012, Ontario's doctors accepted a 5% cut, and in doing so saved \$850 million in the system. We did this then because we could make cuts in places that we knew could have minimal impact on patients. Now the government is cutting physician services unilaterally and without regard for impact on patients. This is unsustainable. It is unrealistic if we want the best care for our patients and if we want the best doctors available in Ontario. This behaviour represents a race to the bottom.

While the government unilaterally imposes their cuts to physician services, doctors will continue to do everything we can to limit the impacts these cuts will have on our patients. But make no mistake; there will be negative impacts on patients.

So our message is clear: We want the government of Ontario to fully fund the demand for medical care in Ontario to the needs of our growing and aging population. It's time for the Ontario government to truly put patients first and fund the growth in the health care system. The decisions Ontario makes today will impact patients' access to quality care for years to come. Thank you.

The Chair (Ms. Soo Wong): I'm going to turn to Mr. Fedeli.

Mr. Victor Fedeli: Thank you very much, Dr. Ng. We've had a similar presentation, and I happen to be the same guy who did the questioning, so a lot of my questions will be repetitive here, but new to you.

We travelled through the north the week before Christmas and we stopped in Sudbury, the Soo, Thunder Bay, Dryden and many other communities, and we met with a young woman who just became a doctor. She was in the northern medical school. We sat with her—she was sent to us by, I think it was, the OMA—because she's considering leaving Ontario. She's brand new, a couple hundred thousand dollars in debt, and quite simply can't seem to put it all together. She talked about the new funding formula and how the new docs are being paid, and it doesn't sound very good. Her husband is also a physician, and we're going to lose them both.

Is this something that you can maybe expand on—the new formula for these new docs that are coming out of school? I don't understand the difference. Is there anything you can tell us to shed some light on it?

1510

Dr. Albert Ng: Initially, to enter into a team-based program or a capitated program, there was a stipulation that physicians had to enter areas that were deemed high-need areas, which were unilaterally determined by the ministry. Subsequently, they decided that perhaps they could open it up a little bit and allow new graduates to enter into other areas that were not deemed high needs. However, they would enter under certain conditions and contracts where they were limited in terms of what they would be receiving in remuneration for the first three years of their practice, as well as limitation of what they could do outside of the practice.

In other words, if they had a family practice, if they wanted to work in an emergency room, if they wanted to work in a walk-in clinic to provide care for other doctors—to cover for other doctors—they were allowed to do so, but they would not receive any remuneration for that. That's for the first year. In the second and third years, there was a little allowance for remuneration. I can give you the numbers, if you like.

Mr. Victor Fedeli: This is helpful.

Dr. Albert Ng: Okay. I believe in the first year it was \$168,000 and you were not allowed to work outside. This is just the base salary; whatever was your overhead was going to be outside of that. Whatever you had to pay your secretaries and rent was within what you made there. The second year you were allowed \$178,000, and third year you were allowed \$202,000, approximately.

Mr. Victor Fedeli: I appreciate that explanation. I hadn't really understood that.

In North Bay, where I live, we have 12,000 orphan patients, including my wife and myself. We have one doctor who threw in the towel about a month ago. I can tell you that because he's instructed his patients to call their MPP. He's decided to work in the emerg only, so now he works—I call it “works for the province,” rather than himself. Is this something that we're going to see more and more of? Or is this an isolated case? I have absolutely no idea where this is headed.

Dr. Albert Ng: I actually have colleagues in Windsor who are considering closing their practices. The idea is that they have to control costs. A large number of costs come with private practice, so they are looking at closing their practice and working in venues where their overhead would be much less. This is affecting the care that we are providing for our patients.

Mr. Victor Fedeli: It's because, if I can understand correctly, their “salary” includes all their overhead that they must dispense. Am I understanding that correctly?

Dr. Albert Ng: That is correct.

Mr. Victor Fedeli: Including other staff?

Dr. Albert Ng: If a physician works in the emergency room, he has no other staff to pay for. The hospital provides the staff.

Mr. Victor Fedeli: But if they're on their own, in their own practice—

Dr. Albert Ng: Yes, then most physicians have probably at least two staff per physician, whether it's a nurse and also a receptionist. Then there's rent on top of that and all the other expenses that go along with the practice, with the business.

Mr. Victor Fedeli: I would think most people don't understand or wouldn't be aware that all of their costs come out of that “salary.” It's a big number for a lot of people; that's a very big number. It's like a net number as opposed to—

Dr. Albert Ng: Yes, certainly the Ministry of Health has made it clear that they only want to publish the amounts that the physicians make on average, but they don't let everybody else know that that also includes

what the physician will need for their salaries, for their staff, for their overhead and for their retirement.

Mr. Victor Fedeli: I meant that it was a gross number, not the net number. The net number is—

The Chair (Ms. Soo Wong): Okay, I'm going to stop here. Dr. Ng, thank you for your presentation. If you have any written submission, it's due on Tuesday, February 2 at 5 p.m. to the Clerk. All right? Thank you.

WINDSOR-ESSEX HEALTH COALITION

The Chair (Ms. Soo Wong): The next witness before us should be Windsor-Essex Health Coalition. Are they here?

Mr. Ken Lewenza Jr.: Hello?

The Chair (Ms. Soo Wong): Are you Windsor-Essex Health Coalition?

Mr. Ken Lewenza Jr.: Yes. We were teaching the world outside. Sorry.

The Chair (Ms. Soo Wong): Okay, Mr. Lewenza. There are two of you so you will have to introduce yourselves for the purposes of Hansard, and you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from the official third party. You may begin any time. Please begin by introducing yourself for Hansard.

Mr. Ken Lewenza Jr.: My name is Ken Lewenza Jr. I'm the chairperson of the Windsor-Essex Health Coalition.

Mr. Ken Lewenza Sr.: Ken Lewenza Sr. I'm his father, and he told me to be here.

Mr. Ken Lewenza Jr.: That's because he's part of the health coalition and spends as much time in the hospitals as the doctors.

I just want to thank the government for having the opportunity and the chance to present today.

As you are well aware, Windsor is going through, obviously, a lot of different challenges. I heard the presenters earlier, where they talked about how this is the ninth consecutive year of health care cuts.

Just recently in the Windsor-Essex region—I think it was just last week—they announced that they were cutting 186 RNs out of the Metropolitan hospital. That was going to take about 250 million hours out of the health care system. They are saying that that won't have an impact on services. It's pretty hard to believe that that wouldn't be the case. Obviously, that is going to have a direct impact on patients.

One of the quick comments that I want to make is about the funding model. There's this cookie-cutter funding model that basically says that if you're a growing region, for example, that's where the health care dollars go.

I will put in a submission later, but I just wanted to point out—and you can get this from Statistics Canada. It just comes right off the website, and it was 2013 data. It just basically demonstrates that here in Windsor-Essex county, we have the highest rates of heart disease, diabetes, stroke, mortality. If you live in Windsor-Essex

county, you live two years less than the provincial average. There's a whole bunch of indicators. One of those was that we have an aging population. So the reality is that a cookie-cutter model just simply doesn't cut it.

Earlier, we heard from Adam Vasey. He is a great poverty advocate in the community. We know that when there are cuts in public services, and, for example, private clinics are set up around where they're providing services, that helps the most vulnerable the most.

I just want to quickly say that I certainly appreciate that there are a lot of challenges in today's economy. We appreciate the consultative approach. We would like to sit down and have conversations. For example, I even understand the politics. I heard MPP Natyshak talk about P3s and the realities. We would like to have a different type of conversation so that we can educate the public about why P3s are not a good way to go.

Essentially, I'll close out by saying thanks for the opportunity. We'd like to have more conversations on this. Thank you.

The Chair (Ms. Soo Wong): I'm going to start with—

Mr. Ken Lewenza Sr.: No, I'd like to—

The Chair (Ms. Soo Wong): Oh, you're going to—okay, good.

Mr. Ken Lewenza Sr.: I'm going to briefly supplement his report—the emotion about health care and the shortage of long-term care and the incredible challenges it puts in front of hospitals that are still accommodating those in long-term care because of the shortages of long-term-care beds in our community.

I'd like you to read the article. When you are on your plane, read the article, because it says it all. I'm here today to speak for Steve Kalas and his wife, Geri. They're in the article. I don't even know them, but I read the article.

I spend a lot of time today in long-term-care facilities. Most people know me as the former president of CAW and now Unifor. I spend a lot of time today as an advocate for those that are disabled, for those that are in long-term care. It's not an official title by any stretch of the imagination. I just visit a lot of my colleagues and friends who gave me the opportunity to serve them.

I want to say to the government directly—because I know what a majority government means, and I hope these public hearings are meaningful. At the end of the day, government has a role, in a majority environment, to provide some humanity, some moral responsibility, some ethical standards, to those that we care for. Simply from my perspective, if we can't take care of seniors and our most disabled, then the reality is, we're not meeting our moral compass.

This article is saying that in Windsor, Ontario, we have a waiting list—the article says it—of over 975 people waiting for long-term care. Now, let's be real about the list of 975. Out of the 975, 375 are being taken care of in their homes today or in a hospital, waiting for that long-term care. The other 500 are in facilities today and trying to move to a more reasonable accommoda-

tions or closer to their homes. So, there are 975 people, but this doesn't tell the true story. These are people who have gone through CCACs; these are people who have been approved; these are people who are on a waiting list. That excludes the multitude of people who, quite frankly, didn't go through CCACs because they said, "Hey, our family will accommodate them. We'll try to take care of them." That's happening more and more every day.

1520

I ask the government: How is it possible that we can have a waiting list of 900 people, 375 directly approved by CCACs to move in? How could we possibly say to Leamington Court that has decided to close their facility and throw out another 65 people awaiting placement—and then the restructuring of the hospitals in Windsor, where we presently have long-term-care people in our Tayfour building who are also being squeezed out—another 40. How is it possible, when we have full utilization, we have a waiting list of well over 1,000 when you include those, quite frankly, in Tayfour and Leamington Court today, that these facilities can close?

It just doesn't make any sense, so I ask the government—in fact, I'm pleading with the government, because I come from the role—and this community comes from the same passion—that if we can't take care of our seniors and our most vulnerable, then we are not meeting the test of that moral compass that we were all born to believe in, and that moral compass is taking care of the most vulnerable.

Hopefully, at the conclusion of this, in the budgeting of health care, long-term care, as a result of an aging population and as a result of the incredible pressures on families with children and others with disabilities—not just children; adults with disabilities—this is significant.

At the end of the day, I want to be blunt. I want to say it directly. I have been a non-partisan guy. You have to be, I think, being the president of an organization. There were times I have even supported the Liberals in certain campaigns. I was one of the guys who, when the McGuinty health tax came out, wasn't critical of it, because I said, quite frankly, that we can pay. But if somebody said to me, "Ken, do you see a difference today with the health care tax in comparison with the service of seven or eight years ago?", honestly I can't see it. So, you've got to ask yourself, "What the hell is going on here?"

To the Liberal majority, it's about the moral compass. It's about ethical standards. It's about taking care of those who have paid the tax dollars all of their lives who—wait, great—now rely on government. I heard some presentations today where people are going to make it whether they rely on government or not. Guess what? This couple ain't going to make it unless government steps in and provides that ethical and moral standard in defence of their needs.

Mr. Ken Lewenza Jr.: If I could just make one quick comment—and I'll pass this around. This just shows what my father just touched on, the Ontario tax in terms of the difference. It just shows that in Ontario, we have

the second-lowest per capita funding per person in hospitals throughout the country. Only Quebec is lower. On average, there's actually \$501 invested less on a per-person basis in the province of Ontario than throughout the rest of Canada, which is obviously putting a lot of pressures on health care.

The Chair (Ms. Soo Wong): Thank you for your presentation. Ms. Fife?

Ms. Catherine Fife: I just want to open the door to a conversation about where the health care dollars are going, because Ken Sr. started the conversation and Ken Jr., you also mentioned it as well. When that health tax was brought in, it was supposed to be targeted in envelope for health care and yet, it became very difficult to find where that money was going.

The Auditor General has recently identified that even when some of that money flows to CCACs, for instance, so many services from home care to PSWs are being contracted out to private companies, and then we don't have the oversight about what's happening. What she found is that the government has never done any assessment as to whether or not that funding is actually getting to patients. In her evaluation, only 61% of the funding got to front-line care. The rest of it—39%—went to bureaucracy, administration and profit.

I'd like for you to talk about what we see as an increasing trend. There is a crisis in health care because we've had these funding reductions and we've had these frozen budgets. In essence, they're creating a crisis in education and then privatization in the political sphere becomes the answer. Do you want to expand on that, please?

Mr. Ken Lewenza Jr.: My father could touch on it too, but if you talk to people who work in the long-term-care facilities, they will be the first to say that those dollars never really trickle down to the floor. They emphasized, even as we prepared for this, that that's more of a policy issue. We really need to look at why it is that monies that are even earmarked—for example, long-term-care facilities are a perfect example of why it's not getting down to the patient level.

Mr. Ken Lewenza Sr.: Some 39% to bureaucracy or to profit is ridiculous. Health care should be a non-profit social program for all of this province. That should be our mission. Some 39% of every one of those tax dollars going to bureaucracy or to profit is absolutely insane. That's all I would say about that.

I just want to say to folks, even in CCACs, the reality is—I know what it is; it's a barrier to protect government. Community care—you know, they're going to do that, but the ones who are getting community care are under incredible pressure and are being told their services are being cut every single day. Our area MPPs can tell you that they're under incredible pressure. We can line up people today who are getting care in their particular homes who are under incredible pressure to get that eliminated. But the problem is, they won't come to these hearings because the fact of the matter is, they just can't. Not only that, to a certain degree—we all know this; it's

like people who are impoverished. They don't come to these hearings. But those who are requiring a service are scared to speak out because they're scared to be cut off. That's a fear.

Again, it's a plea. This is important to seniors; it's important to the most vulnerable. At the end of the day, quite frankly, 39% of the dollars are not going to direct services.

I come from the auto industry. Guess what they did—and I never liked it, by the way; they said, "If you don't touch the car, we don't need you."

I'll give you one more comment, Chair, and I think this is equally important. I think it's cruel behaviour to unilaterally cut at the Ontario Medical Association, to doctors. You might say, "What's cruel behaviour?" The facts of the matter are that every association and union has a mechanism to arbitrate a settlement. When you unilaterally cut, you're creating division. If you let the arbitration process decide the medical terms for doctors, then, quite frankly, you have to agree with what the arbitrators say.

Every time I got in trouble, I asked for an arbitrator, I asked for a mediator, I asked for a third-party intervention, for the obvious reasons: so the ongoing confrontation doesn't go on. You just did it to the security of jails. The OMA should be treated with a little respect and a little decency. They can speak for themselves, but at the end of the day, no organization that provides a social support like doctors do in our community should be unilaterally cut without a process of allowing an arbitrator to step in if both sides can't come together.

The Chair (Ms. Soo Wong): Okay, Mistrs Lewenza Sr. and Jr., thank you so much for your presentation and thank you for your written submission.

Mr. Ken Lewenza Sr.: Looking around, I know you've all got kids. I'm going to mobilize your kids. I'm going to mobilize—

The Chair (Ms. Soo Wong): Thank you for your presentation.

ONTARIO ASSOCIATION OF CHILDREN'S REHABILITATION SERVICES

The Chair (Ms. Soo Wong): The next group coming before us is the Ontario Association of Children's Rehabilitation Services. The Clerk is coming around with the written submission. We have Jennifer Churchill and Paula Grail. Welcome, ladies. As you've heard, you have 10 minutes for your presentation, followed by five minutes of questioning. Please identify yourselves for the purposes of Hansard when you begin. You may begin any time.

Ms. Jennifer Churchill: My name is Jennifer Churchill.

Ms. Paula Grail: Good afternoon. My name is Paula Grail. I'm here in two capacities, first and foremost as a proud mum of a 13-year-old son with special needs and also as chair of the board of directors of the Ontario Association of Children's Rehabilitation Services, also commonly known as OACRS.

OACRS represents 21 children's treatment centres across Ontario. Here in Windsor, the John McGivney Children's Centre has been providing care to the community since 1978.

1530

Together with Jennifer Churchill, our association's CEO, I want to thank you for the opportunity to speak on behalf of the almost 80,000 kids with special needs, and their families, who receive services at children's treatment centres.

Families tell us they want a seamless system that focuses on the needs of children and families and provides seamless transition between services at home and services in the community, and this government has been listening. In fact, you've been doing more than listening: You've been taking action.

Under the government's Special Needs Strategy, our sector has been actively working with community partners and multiple ministries to make things better for families. The recently released Patients First discussion paper highlights the government's commitment to improve home and community care—that is, the services provided by CCACs.

Our families are among those who receive services at home and in the community, mostly through the school health services program. However, families like mine make up only an estimated 5% of the CCAC system, a system designed primarily to serve Ontario's seniors.

There is no dispute that expert pediatric services are important, yet it is difficult to make them a priority due to the competing demands of an aging population. We are here today with a viable solution that involves existing resources and that can prioritize, protect and strengthen seamless pediatric rehabilitation services and support the government commitment to an integrated and accountable home and community care system for families.

Ms. Jennifer Churchill: The mandate of the Special Needs Strategy is to make things better for children, youth and families. As a result of this process, 85% of the consensus-based community planning proposals submitted for government approval last fall recommended that school health rehab services be transferred out of the CCAC domain. This is the time to transfer the school- and community-based rehab services funding envelope from the Ministry of Health and Long-Term Care to the Ministry of Children and Youth Services.

For the year 2014-15, the direct provision of rehab services in schools and in the community amounted to approximately \$55.7 million. Client intake, assessment, wait-list management and support costs were over and above these direct client service costs and would need to be included by the Ministry of Health in the funding transfer.

In addition, the Patients First initiative commits to an annual 5% increase in home and community care for the next three years. School and community rehab services for children and youth with special needs must be included in this increase to provide service continuity

throughout school and to support youth and families transitioning into the adult system.

Ms. Paula Grail: MCYS was created to bring focus and attention to the needs of children, youth and families. It is this focus that allows seamless, expert pediatric rehab services to be prioritized, strengthened and protected. Seamless service under this ministry means that there will be no need for families like mine to reapply for rehabilitation services upon school entry, like we have to do now. Children and youth will experience rehabilitation service delivery as a single, continuous program from their point of entry until they leave services. How fantastic would that be?

Under MCYS, families like mine will be at the centre of service and recognized as being the experts on our child's ability and needs.

Ms. Jennifer Churchill: MCYS is accountable for the delivery and oversight of many programs, including a pediatric rehab system that serves those with physical, communication and neurodevelopmental challenges. This pediatric rehab system is comprised of health care professionals and clinical experts, has developed a strong provincial network, is respected by providers across the nation, has exceptional academic and research relationships, and has successfully implemented the same electronic client record management system in almost every treatment centre.

The ministry investment in the electronic client record has transformed client care, data collection and reporting across the sector. What is currently in use is a Web-based, centralized system that manages every stage and interaction of a child's care, from intake to assessment to care planning and service delivery through to outcome reporting.

In two large Ontario communities, one of them being Simcoe county, the system is actually used to link interdisciplinary service providers from multiple sectors for collaborative goal-setting, care planning, service delivery and outcome measurement. This results in a single plan of care for a child, for their family and for all service providers. With consents in place, a child's electronic record is accessible to all team members from every agency that supports that family. Given the proven results of this model, a number of communities engaged in the Special Needs Strategy planning process have examined this model for their own use.

It is worth noting that the sector is also piloting a family portal which empowers families to take an active role in their care and care decisions by providing transparent and timely access to clinical documentation when it makes the most sense for families. It enables clients and families to communicate more effectively with their clinical team through a secure two-way messaging system.

The alignment between the Patients First initiative and the Special Needs Strategy demonstrates the government's commitment to bring about the change that patients and families have been asking for. The government has openly requested bold measures to empower

change, and this transfer of existing resources is a bold and sound measure.

The school health support service program has been embedded in the health system since 1984. In 1997, the system transitioned to a managed competition model and home care agencies became community care access centres.

Over the years, the issues with school health services have not gone unnoticed by government. Several reviews have addressed the challenges of including school health rehab services within the home care system:

—in 2004, Elinor Caplan requested a review of CCAC procurement;

—in 2010, Deb Matthews commissioned the Deloitte review of the school health support services;

—in 2013, the then parliamentary assistant and now current Minister of Children and Youth Services, Tracy MacCharles, conducted an engagement process with families across the province about how to make the process better, and the response is the Special Needs Strategy, led by Minister MacCharles; and

—in 2015, Ministers Hoskins is leading the Patients First initiative.

The time of review is over. It is time for action. It's time to transfer these resources from the Ministry of Health and Long-Term Care to the Ministry of Children and Youth Services. This action supports the work of the Special Needs Strategy and provides the Ministry of Health with a solution for the increased integration and accountability of school and community rehab services for children and youth with special needs—that 5% of the total CCAC system.

Ms. Paula Grail: As we conclude, you may be asking yourself why it is necessary to include this funding transfer in the 2016-17 Ontario budget. As a mom, I want real solutions for improving experiences for my child and for the 80,000 families like mine to have a place in the Ontario budget document. I know this government is committed, and I want to see that commitment in writing.

Ms. Jennifer Churchill: As an association CEO, a commitment to this transfer of existing funds is a sector-proposed solution that supports recommendations made in government reviews since 2004. At only 5% of the total home and community care system, families with children with special needs must not be lost in this important health transformation. Inclusion in the 2016-17 budget recognizes the importance of these families.

Finally, as a former staff member of the Ministry of Finance, the Ontario budget tells the story of the government's commitment to Ontarians. That transcends ministry silos and sector boundaries. Inclusion in the budget sets the stage for those interministerial discussions which have to take place to transfer sufficient program funding from one ministry to another. Thank you for your consideration.

The Chair (Ms. Soo Wong): All right. I'm going to go to Ms. Hoggarth to begin this round of questioning.

Ms. Ann Hoggarth: Hello again.

Ms. Jennifer Churchill: Hello.

Ms. Ann Hoggarth: Welcome and thank you very much for your presentation. It was very succinct and well presented—very professional. I can tell by the way that you made your presentation how very important these issues are to you.

As you said, we are getting more and more seniors. We're not having more and more born; in fact, we are definitely having more go over the age of 65, and so health concerns with seniors—many times, there are multiple issues in regard to health care. That is a difficulty for the health care system and that's why the revamping is being done.

We are also having more and more children who require rehabilitation services. As a kindergarten teacher, usually even in kindergarten you can see where the system is going to be receiving more and more children. We need those kinds of services.

Simcoe county is piloting a program. They are doing away with the silos, planning together, working together to get the best out of resources so that it works well for the children and the families, and also works well—let's be honest—with the health care budget. I hear you say that you want to transfer to the Ministry of Children and Youth Services, and we will take that suggestion forward.

1540

I'd like to know if you have any actual monetary asks, other than transferring to the other ministry.

Ms. Jennifer Churchill: No.

Ms. Ann Hoggarth: No?

Ms. Jennifer Churchill: The challenge that we face in interpreting the publicly reported CCAC data is to truly understand the cost to the CCAC of delivering this service. The numbers we shared with you are actually the numbers that are publicly reported for actually putting the therapist in the classroom, but the publicly reported information doesn't associate cost with things like case management. Who does the initial assessment? Who does the intake? Who manages the wait-list? Those things are not costed out in the publicly reported information that's available to us. We feel confident that if the envelope, the actual envelope that's used to deliver this service, were transferred from health to MCYS, then the request wouldn't go beyond that.

What we're asking for is that our children not be lost in the investment, that 5% annual increase, that the Ministry of Health has committed to in Patients First. Please allow children and youth with special needs and their families to be part of that 5%.

To respond to your comment about the opportunity, LHINs are now going to be asked to take on the roles of service providers—brand new roles for them. I think it's a pretty tall order to ask a LHIN to jump into the business of delivering services to seniors. It's a huge undertaking. We really feel that the expertise of MCYS in relationship with health could actually support this transition and allow the expert pediatric service providers, which go beyond the rehab system, but MCYS is filled with those service providers—to allow the support to children and

families. Let the LHINs worry about the aging population, like me and beyond, but allow those experts within the ministries and at the community level to really influence how service will be delivered to children and youth. And it's with existing money.

Ms. Ann Hoggarth: Thank you very much. We appreciate this.

The Chair (Ms. Soo Wong): Thank you very much for your presentation and your written submission. Thank you.

MS. CHRISTINE SWEENEY

The Chair (Ms. Soo Wong): Okay, folks, I think our next witness is coming to us from teleconference. Is she online? Okay. Ms. Sweeney, are you online?

Ms. Christine Sweeney: Yes, I am.

The Chair (Ms. Soo Wong): Okay, can we have it a little bit louder so that all of the committee members—Ms. Sweeney, I just want to introduce the committee members at the table, so that you have an idea of who's at the table, as well as go through the format. Can you just bear with me? I just want to introduce all of the committee members.

On my left is Vic Fedeli from North Bay. Beside him is Toby Barrett—remind me which riding?

Mr. Toby Barrett: Haldimand—Norfolk.

The Chair (Ms. Soo Wong): Haldimand—Norfolk. And then from the third party there's Catherine Fife from Kitchener—Waterloo. Am I correct? Yes. From the government side is Ms. Laura Albanese from York South—Weston, Ann Hoggarth from Barrie, Peter Milczyn from Etobicoke—Lakeshore and Daiene Vernile from—

Ms. Daiene Vernile: Kitchener Centre.

The Chair (Ms. Soo Wong): Kitchener Centre. And myself, I'm Soo Wong, the MPP for Scarborough—Agincourt.

You have 10 minutes for your presentation, Ms. Sweeney, followed by five minutes of questioning. This round of questioning will be coming from the official opposition. You may begin any time. Please introduce yourself for the purpose of Hansard when you begin. Okay? You may begin any time.

Ms. Christine Sweeney: Okay. My name is Christine Sweeney from Brockville, Ontario. First, I'd like to take this time to thank you for possibly funding Bill 141.

The Chair (Ms. Soo Wong): Ms. Sweeney, we're having some problems listening to you. Are you using a cellphone or are you on a landline?

Ms. Christine Sweeney: It's a cellphone.

The Chair (Ms. Soo Wong): Okay. I'm going to see if the technical guys here can help. You know what? Why don't you continue and then I'll interrupt you if there is some problem with hearing your piece.

Ms. Christine Sweeney: Okay.

The Chair (Ms. Soo Wong): And the Clerk is handing out your written submission to the committee members as you begin.

Ms. Christine Sweeney: This is the written submission that I have and you will be hearing now.

The reason why this bill is so important for funding is so parents like me that have lost children have the possible funding in the hospitals, outside of the hospitals—for moms, dads, grandparents as well as siblings.

I've been a bereaved mom for 16 years. I lost one in 1999 and again in 2007. I had no support other than my family. I had to do all of the grieving on my own. I'm going to quote a saying from a book that Dr. Seuss wrote: "A person's a person, no matter how small."

Parents these days don't get any recognition for their children that have passed on under 20 weeks' gestation. I personally didn't get anything for my youngest. I had to do everything on my own.

As for my first one, it was an early miscarriage and I couldn't do anything about that. But I do believe that bereaved parents need to have counselling in the hospital and continuous counselling outside the hospital to help with their grief, as well as counselling for siblings.

This is a saying that we use in my bereaved parents group: When a spouse dies, you're a widow. When parents die, you're an orphan. When a child or baby dies, there's no word for that.

Grief goes on for years. There's no stopping the grief, and if we had continuous counselling—grief counselling, support groups—funding for all of this—how do I word it?—it is the best way to get everything in place. Here in Brockville, we have nothing. We do things on our own.

I've been an advocate for this for eight years with former MPP Bob Runciman and current MPP Steve Clark. Once I found out that Bill 141 was going through, I contacted Steve Clark and he in turn contacted MPP Mike Colle. Mike Colle called me himself. He told me how the bill was proceeding. The day that it was passed, MPP Steve Clark called me directly from Queen's Park.

1550

We have no funding for stuff like this. It isn't cheap, especially when it's for all of Ontario, but parents need the support. They need to be able to cope without having to deal with it on their own like I have for 16 years.

My two living children have suffered the loss of their younger brother. They have seen me on my good days; they see me on my bad. They too learn stuff, and if it wasn't for their school here, I wouldn't have had the help to help them with the grief and the pain.

Now I'm going to leave the floor open for any questions.

The Chair (Ms. Soo Wong): Okay, Ms. Sweeney, are you finished?

Ms. Christine Sweeney: Yes.

The Chair (Ms. Soo Wong): Okay. Thank you. I'm going to turn to Mr. Fedeli to begin this round of questioning to you. Mr. Fedeli?

Mr. Victor Fedeli: First of all, thank you very much, Ms. Sweeney, for your presentation. We must confess the audio was very bad and we sort of picked up maybe every second word. But we do have your email to the Clerk and we are all very, very familiar with this Bill

141, as not only did it receive all-party support, but it has passed, it has received royal assent, and it continues to have all-party support.

We will continue to work with MPP Mike Colle. I will call MPP Steve Clark shortly, tell him that you were on, relay to him what you had to say and let him know that your concern is that the funding needs to be put in place. Is that satisfactory, Ms. Sweeney?

Ms. Christine Sweeney: Yes, it is.

Mr. Victor Fedeli: Then I thank you very kindly.

The Chair (Ms. Soo Wong): Thank you very much, Ms. Sweeney. Thank you for your presentation and also your written submission to the Clerk this afternoon. All right. Have a great afternoon.

Ms. Christine Sweeney: Okay. Thank you.

Mr. Victor Fedeli: I did want to add, Chair, by the way, that we are all here. In the few words we could hear, we could understand, in the tone of your voice, your sadness, and we are all deeply concerned for your loss as well. We offer you our deepest sympathies and thank you for your strength in continuing to fight for Bill 141.

The Chair (Ms. Soo Wong): I think she's off the line. Maybe somewhere in the written notes we can include that message to her.

FAMILY SERVICES WINDSOR-ESSEX

FAMILY SERVICE ONTARIO

The Chair (Ms. Soo Wong): The next presenter before us is Family Services Windsor-Essex. It's Mr. Borislav Jovic. Good afternoon and welcome. I believe the Clerk is coming around with your written submission, sir.

As you probably heard, you have 10 minutes for a presentation, followed by five minutes of questioning. This round of questions will be coming from the official third party. You may begin any time. Please introduce yourself, when you begin, for the purpose of Hansard.

Mr. Borislav Jovic: Good afternoon. My name is Borislav Jovic. I am a representative here on behalf of Family Services Windsor-Essex and Family Service Ontario.

Family Service Ontario and Family Services Windsor-Essex thank the all-party Standing Committee on Finance and Economic Affairs, the Ministry of Finance staff and the members of provincial Parliament for the opportunity to present solutions for people with mental health and addictions, one of the most vulnerable populations in Ontario, distinguished by its enormous potential and pressing desire to serve as thriving, contributing members of society.

More than 250,000 individuals, couples and families benefit in myriad ways from services provided by family service agencies every year. They typically enter agency doors before they are in full crisis. This is a critical factor that allows government to reduce the high costs associated with emergency department visits and mental health specialists.

Family service agencies serve as communication and service hubs in their communities. They actively collaborate with health and social services such as family physicians, mental health clinics and local hospitals, workplaces, schools, police, children's aid societies and other organizations such as the Canadian Mental Health Association. We do this to meet client needs, identify trends and implement solutions.

Many clients who seek counselling from family service agencies have been referred by these community partners. Individual and family counselling services—both brief, solution-focused interventions and longer-term therapy—are provided by highly qualified and experienced staff in person or over the phone. Clients of all ages and backgrounds walk away with portable skills in how to problem-solve, find and keep a job, provide for their families and function effectively in the community.

Over a two-year period, from January 2012 to December 2013, the Family Service Employee Assistance Program's National Outcomes Project: Effectiveness of Counselling 2014 demonstrated that people who received assistance from family service agencies showed a statistically significant improvement. There were two statistically significant improvements that I will mention here: 16% in overall workplace functioning, including attendance, relationship with superiors and co-workers, and ability to concentrate on quantity and quality of work; and, more importantly, 63% in overall functioning for those in clinical distress.

Our agency is part of the Family Service Ontario network. Family Services Windsor-Essex has a long and saturated history of delivering counselling services to the people of this community. We specialize in delivering programs and services revolving around counselling and advocacy. Some of these programs include our voluntary trusteeship program, the Adult Protective Service Worker program and client intervention, where we deal with issues around elder abuse and hoarding.

We are also one of the few agencies that provide a walk-in counselling service. This service is currently funded to a certain extent by United Way Windsor-Essex County. Therefore, our agency acknowledges the importance of walk-in counselling services and fully endorses the recommendations made within this presentation.

Mental health and substance abuse, if unaddressed, steals from society. Some 20% of Ontario's citizens will experience a crisis in their lifetime that threatens family stability, creates a cycle of job loss and causes a loss of productivity for employers.

The financial hit is staggering. The Ontario Ministry of Health spends more than \$2 billion each year on acute care, drugs and community services related to mental health and addictions problems.

The challenges and opportunities are that many mental health issues do not require months or years of counselling and medications to be resolved. Experience has shown repeatedly that access to counselling services, when they are easy, fast, affordable and available when the individual is most in need and most open to change, can transform lives.

Family service professionals witness this sort of transformation every day, and data supports it. The Drummond report identified that quick-access counselling can decrease costs in the health system by streaming people seeking urgent help for mental health and addiction problems away from emergency departments and other high-cost medical services such as psychiatry and toward non-medical psychosocial services that have been proven to work.

The infrastructure exists and is poised to meet demand. Family service agencies such as our agency have everything they need to provide quick-access mental health walk-in counselling. Indeed, they are already supporting individuals in three local health integration networks that saw short- and long-term benefits of funding this service to meet the mental health and addictions needs for their communities. These three LHINs are the Champlain Local Health Integration Network, the North West Local Health Integration Network and the North Simcoe Muskoka Local Health Integration Network.

Here are some examples from these communities: Funding for the walk-in counselling clinic in the Champlain Local Health Integration Network began when one of the clinics launched back in 2014. The lead agency there was Jewish Family Services of Ottawa, which is a member of Family Service Ontario and operates the walk-in counselling clinic in collaboration with five of its community partners.

The walk-in counselling clinic provides a full range of professional mental health services on a first-come, first-served basis for anyone in the Champlain region, including new immigrant and other at-risk communities in both urban and rural regions. The multi-agency structure enables relationships with other agencies in the region to support clients.

1600

Funding was enhanced in 2014 to include weekend services and again in 2015 to meet a growing demand particularly by immigrant communities.

The walk-in counselling clinic hired an independent consultant to conduct a mid-funding evaluation of this walk-in counselling clinic's services in 2015. The results confirm that the program is delivering as intended, and here are some of those highlights.

Primarily, it was cost-effective. Clients reported that they avoided hospital visits as a result of the quick-access mental health walk-in intervention. In addition, the increasing number of younger people accessing walk-in counselling services prevents escalation of costly problems in the future.

Volume: At the end of the 2014-15 year, 1,778 client contacts were made and 1,534 client files were opened, which exceed the target by more than 50%.

Young adults made robust use of the walk-in counselling clinic services throughout this time frame, with more than 30% of all clients between the ages of 20 and 29. Clearly, this walk-in counselling clinic is reaching a younger clientele, one generally more difficult to engage

and at a critical juncture when it is still possible to prevent escalation of needs.

This also caused great improvement in gender statistics. Typically, gender breakdown of clients seeking long-term counselling was 30% men and 70% women. Through this walk-in counselling clinic model, this proportion raised men to an even level—50%.

Approximately 30% of clients were directed to mental health counselling by medical care professionals. The service flexibility inherent in the walk-in structure reduces barriers such as stigma and enables clients to come in when they are ready without long-term wait times or fees.

The program fosters a sharing of resources, joint training and evaluation, multiple locations, and information and referrals. These provide opportunities to collaborate with other service providers in the region. That also clarifies for clients how to navigate the system.

Lastly, better outcomes than those achieved by traditional models were successful. In 2015, the Canadian Institutes of Health Research funded the University of Waterloo and Wilfrid Laurier University to compare the clinical effectiveness and cost-effectiveness of two models for delivering counselling services: The one model was a single-session walk-in counselling as provided by KW Counselling Services in Kitchener-Waterloo, and traditional service delivery as provided by Family Service Thames Valley in London, where a wait-list is required to meet demand.

The Chair (Ms. Soo Wong): Thank you very much for your presentation. I know you have a written submission. I'm going to turn to Ms. Fife for this round of questioning.

Ms. Catherine Fife: Thank you so much for the presentation. I'm glad you mentioned KW Counselling because they do tell that success story about having that walk-in clinic. They actually share this story with most people who go through the agency: One day, a pickup truck filled with construction workers pulled into the parking lot. One of them got out and some of them just walked through the door, and they all ate their lunch in the parking lot and they waited for him to do the walk-in clinic. So congratulations on actually improving access, because we have to be adaptive in how we how we offer services.

I just want to make mention, though, that your ask is that the LHIN—obviously, you need LHIN funding. Is the current service at risk or are you looking to expand by having the Erie St. Clair LHIN participate?

Mr. Borislav Jovic: We believe that this sort of funding should come from our local LHIN because it's more in line with primary health care that we've seen the past. I've given you three examples of past LHINs that have provided this sort of funding, and the successes in these LHINs are quite visible.

We believe, as Family Services Windsor-Essex, that Erie St. Clair LHIN should provide this type of funding to our agencies as well because we have the resources to do this funding in a very cost-effective model. We

believe that the current funding we have is not necessarily at risk of going away any time soon, but we believe that it's important that we have more permanent funding for future purposes.

Ms. Catherine Fife: Okay. I just want to clarify, because you're asking that "the Erie St. Clair LHIN participate in a dialogue to identify the potential cost and clinical benefits": Is the Erie St. Clair LHIN willing to do so?

Mr. Borislav Jovic: We do have some funding from the Erie St. Clair LHIN right now. They are aware of our walk-in counselling services. They have shown interest—nothing formal, nothing in writing—in providing this type of support in the future.

Ms. Catherine Fife: Thank you very much. It's a proven, effective model and certainly worth the government's attention for expanded services. Thank you very much today.

The Chair (Ms. Soo Wong): Thank you very much for your presentation and thank you for your written submission. Have a good afternoon.

WINDSOR-ESSEX HOME BUILDERS' ASSOCIATION

The Chair (Ms. Soo Wong): I'm looking to see if the Windsor-Essex Home Builders' Association is here. I see they're not here yet, so I'm going to recess the committee briefly because this is our last witness. Maybe someone is at the door with their phone on.

Good afternoon. Are you from the Windsor-Essex Home Builders' Association?

Mr. Albert Schepers: I am.

The Chair (Ms. Soo Wong): Okay. We're saving the best for last. We are ahead of schedule. We really want to see you so that we can be off to the other city tonight.

Welcome, Mr. Schepers. Good afternoon. As you probably heard, you have 10 minutes for your presentation, followed by five minutes of questioning. This time the rotation will be coming to the government side. You may begin any time. Please begin by identifying yourself as well as your position with the Windsor-Essex Home Builders' Association for the purposes of Hansard.

Mr. Albert Schepers: Thank you. I do apologize. I was at the other building, and it takes a little longer to walk here through all of that clanging and clacking.

The Chair (Ms. Soo Wong): You just got your exercise.

Mr. Albert Schepers: Yes, I got my exercise all right.

I'm Albert Schepers. I run a consulting business. I'm past president of the Windsor-Essex Home Builders' Association. I'm also past president of the Ontario Home Builders' Association. That seems like eons ago now, but that's my claim to fame. I work with builders. I was working with a builder about 25 years ago; I was on staff dealing with problems with building and all of the new construction.

Most of the presentation I have obviously comes from the Ontario Home Builders' Association. You will have

heard most of it so I'm not going to repeat it. But it's fair to say that we have the same problems here as they have in the rest of the province. We do have some unique economic issues in the city of Windsor that I don't know the province can particularly deal with, but I think there are some budget things that can be considered, so I'll try to highlight those.

I do appreciate you coming to Windsor. I think it's important that you tackle all of the important places, especially Windsor, which is the starting of Canada. This is mile one on the 401. Just remember that as you leave here and go up the 401.

Windsor is interesting in that the people here are very sceptical and they will not build new houses if they think the economy is not going in their direction. They will take precautions. There are large homes being built—there's no question—but we're talking about the modest homes, the homes that the average person can afford and wants to build and wants to live in. That's important.

There are stats. In 2003-04 and for about three or four years before that, housing starts in Windsor-Essex county, the greater Windsor area, were in the order of 2,000 housing starts per year. It declined somewhat over the following years. In 2005-06, we had 1,500. Then of course, in 2008 I don't think anybody built houses, but it declined so that we had 391 homes built in 2009.

We've never rebounded. Today we are probably building in the order of 800 homes a year. I don't see that racing forward in the near future. The average selling price, the MLS price, for a home in the city of Windsor is \$200,000. For the average new home, with taxes and everything else included, you're looking at over \$300,000. It's difficult to compete. The same home that sells here for \$200,000 you probably couldn't buy for under half a million in the Toronto and Vancouver areas. You just have to drive around and you'll see the types of homes we have and the type of market.

1610

But the housing starts give you an idea of the economy in Windsor. People don't think about it. They think of the auto industry and manufacturing, and, God love them, they're important to us, of course. But the housing industry, the construction industry, is very important. It's surprising, actually, that it's the third-highest-taxed item in Canada, right after alcohol and tobacco. Just keep that in mind as you set policies and whatnot.

We represent builders, renovators, professionals. I'm a professional. I deal with the housing industry on a daily basis, designing beams. I try to tell the builders, "You don't need me." We want to build houses; they don't need engineers to build houses. That's the important thing, and that's why I sit on the technical advisory committees with building code. We deal with a number of different issues.

Windsor is unique with respect to the underground economy. Part of that is because there really aren't restrictions on people building their own homes. There are in many other jurisdictions around the world, but in Canada, and Ontario specifically, there are no restric-

tions. Any one of you can go out and build your own home. You need to take care, of course. If you know how to swing a hammer, you can build your own home, but if you've got to hire people, beware.

Windsor is unique in that it has a number of people who go into the underground economy: "You want to build your own home? Well, fine, you take out the permit and we'll work with you. You just pay me cash and we'll get you the subtrades." Therein lies the problem, more so in renovation and the cash side, but in the new homes as well. We have a large underground economy. Any time that the remaining auto plant in Windsor has a shutdown, we've got another 1,000 renovators on the market. They'll all go out there and they'll do the jobs for cash.

Of course, when they do that, we lose out on the HST. We also lose out on the payroll taxes that go with it, and we also lose out on the workers' compensation. If there are any injuries, there are other people who will pay the bill. They, quite frankly, don't give a damn. They have their cushy jobs and they take these on as side jobs. So it becomes problematic.

I don't know how to stem that, but one way—and you will have heard this in other areas—is that the federal government has given up their consumer-focused tax credit for renovations. Well, it's probably a good idea. If you can get people to collect their receipts and they get a tax credit for renovations they do, you'll have curbed the underground economy to some extent. But there's also an added benefit to that in that with the taxes that you will generate—the HST that is collected, the payroll taxes that are collected because now they have genuine receipts—there probably will be a net benefit. I haven't done the math and I don't think OHBA has done the math, but I think it's possible to do that. Get your tax people to look at it. Give a tax credit to people who have renovations done and see what the benefits will be. I think they will be striking.

Climate change: Housing has been at the forefront, believe it or not. Back in the 1970s, we had the R-2000 program. They've never changed it, even though we've gone beyond the year 2000, but we've changed the program. And housing has been at the forefront of energy conservation. I think we're getting pretty close to a net-zero house being the norm in our society. It's very difficult, particularly on a day like today. I was glad I was walking inside and getting my exercise coming here rather than outside.

Energy Star is another program that the home builders look at as well as the R-2000. You may not be aware, but by the year 2017, we will have cut the energy use within a home 50% of 2005, and 2005 is 50% of what it was in 2000. We've done our part, and it has cost. This is why housing prices have gone up, because of the energy conservation, but home builders believe in it.

There are a number of reasons. One is, it's easier to sell a new home that is more energy-efficient than the one you built five years ago, and builders compete with themselves, believe it or not. Their old homes are up for sale, and when we try to sell these old homes—"Well,

you built this home five years ago. What's the difference?" It's not like a car, where the styles change every year.

Perhaps something else that should be considered is on the resale of homes. Buyers of existing homes, the resales, don't know what the energy efficiency of that home is. There's a simple way of doing an energy-efficient audit on a home. Yes, it does cost. Most buyers of homes will have an inspection done on a home. They don't mind paying that cost. Part of the inspection could be the energy rating disclosure of that home. What does it cost to get a home—what's the energy efficiency of it?

The Chair (Ms. Soo Wong): Mr. Schepers, can you wrap up your presentation so we can turn to the government side for some final questioning to you?

Mr. Albert Schepers: The other thing was energy efficiency, the tax credit which we talked about. That actually was it.

The Chair (Ms. Soo Wong): Okay. I'm going to turn to Ms. Albanese to start this round of questioning.

Mrs. Laura Albanese: Thank you very much for your presentation. We heard from the home builders' association yesterday in Hamilton as well.

Right now I'm conducting a review and consultations across the province on behalf of the Ministry of Finance. I'm parliamentary assistant to the Minister of Finance and I've been given the mandate to do a consultation and hand in some recommendations in regard to the underground economy aspect of the residential construction industry.

You've been quite eloquent in illustrating what type of underground economy you see in the area of Windsor, also as to why people resort to the underground economy, and you've given some suggestions, mainly the tax credit, and you were speaking about energy conservation as well.

I think you were commenting about the fact that, especially in Windsor, there's been a slow rebound in building homes, so it is important to level the playing field and support legitimate businesses. Do you have any other suggestions or anything else that you see that would make the underground economy more prolific here in Windsor?

Mr. Albert Schepers: You want to get rid of it?

Mrs. Laura Albanese: Yes.

Mr. Albert Schepers: I can tell you what does not work.

Mrs. Laura Albanese: Okay.

Mr. Albert Schepers: That's what the CRA tried to implement 16 years ago and they've never let go of it, and that is just the tax reporting. Tax reporting to CRA: All it captures is information about legitimate builders. I believe the stats from that just indicated that maybe 5% of legitimate builders had subtrades that did not have tax numbers. That was it, and that's a very small part of it.

The place to look is going to be at the big suppliers of lumber: Home Depot—I'm trying to think of the name of

the other company—Rona, I think, has gone out of business; Lowe's, these places. It doesn't matter who builds; they have to buy lumber. So the underground guy goes in and he'll buy lumber, he'll buy drywall, he'll buy product from these places, and where does it go? If they use it for their own homes, that's fine. But you're going to buy a truckload of lumber for your own home three times a year? You're obviously doing something in the underground economy. So there can be something done with respect to reporting through these large suppliers of building materials, to report where it is going, what you are doing with it. And very quickly the people who buy the lumber are going to find, "Well, I'm Joe Schmo. I'm building my own house, and here's my address"—eventually they're going to catch on that they'd better start reporting, because you're not catching the HST, which obviously affects the provincial government as well as the federal.

That's one thing that was actually presented long ago, 15 years ago, to the CRA—I don't think it was CRA at the time. But the feds, Revenue Canada, just didn't want to listen at that point because they had their scheme in place. But that's one thing that won't work.

Something that can work which everybody will shy away from is that if you need to have a legitimate licence to do renovation, just like you have to have training to do firefighting or you have to have training in safety to be a safety inspector, or training for any job—and it's mandatory in industry. You should be able to, as a government, enforce some kind of requirement for renovators. At the homebuilding association we have RenoMark. Any legitimate renovator—the big ones are involved with it, and they carry warranties, they have training. So it can be a requirement of renovators—

The Chair (Ms. Soo Wong): Mr. Schepers, your time is up. I know Ms. Vernile wants one more question so I'm going to let her ask the last question before I do the final checkout for this location. Ms. Vernile.

Ms. Daiene Vernile: I'll be very brief. Mr. Schepers, I just wanted to mention to you—you might have heard our Premier, Kathleen Wynne, in many of her year-end interviews with various media outlets, comment on the fact that she very much favours energy retrofit programs and tax breaks and grants, and that she's currently working with our federal partners on that.

Mr. Albert Schepers: Thank you. I think that's good.

The Chair (Ms. Soo Wong): All right. Thank you so much, sir, for your presentation. If you are planning to submit anything in writing about the pre-budget consultation, please do so by February 2 at 5 p.m.

Mr. Albert Schepers: Okay. Thank you.

The Chair (Ms. Soo Wong): Thank you so much for being here.

I'm going to adjourn the committee to Thunder Bay at 9 o'clock tomorrow morning.

The committee adjourned at 1624.

Ontario Greenhouse Vegetable Growers.....	F-963
Mr. Richard Seguin	
Dr. Justine Taylor	
Essex County Health Coalition	F-966
Ms. Kim DeYong	
Ms. Sandra Dick	
Pregnancy and Infant Loss Network	F-967
Rev. Dr. Catherine Collins-Barker	
Ontario Medical Association.....	F-970
Dr. Albert Ng	
Windsor-Essex Health Coalition.....	F-972
Mr. Ken Lewenza Jr.	
Mr. Ken Lewenza Sr.	
Ontario Association of Children's Rehabilitation Services.....	F-974
Ms. Jennifer Churchill	
Ms. Paula Grail	
Ms. Christine Sweeney.....	F-976
Family Services Windsor-Essex; Family Service Ontario	F-977
Mr. Borislav Jovic	
Windsor-Essex Home Builders' Association	F-979
Mr. Albert Schepers	

STANDING COMMITTEE ON FINANCE AND ECONOMIC AFFAIRS

Chair / Présidente

Ms. Soo Wong (Scarborough–Agincourt L)

Vice-Chair / Vice-Président

Mr. Peter Z. Milczyn (Etobicoke–Lakeshore L)

Mrs. Laura Albanese (York South–Weston / York-Sud–Weston L)

Mr. Yvan Baker (Etobicoke Centre / Etobicoke-Centre L)

Mr. Toby Barrett (Haldimand–Norfolk PC)

Mr. Victor Fedeli (Nipissing PC)

Ms. Catherine Fife (Kitchener–Waterloo ND)

Ms. Ann Hoggarth (Barrie L)

Mr. Peter Z. Milczyn (Etobicoke–Lakeshore L)

Ms. Daiene Vernile (Kitchener Centre / Kitchener-Centre L)

Ms. Soo Wong (Scarborough–Agincourt L)

Also taking part / Autres participants et participantes

Mr. Taras Natyshak (Essex ND)

Clerk / Greffier

Mr. Katch Koch

Staff / Personnel

Ms. Mercedes Lee, research officer,
Research Services

CONTENTS

Tuesday 19 January 2016

Pre-budget consultations	F-923
Canadian Mental Health Association, Windsor-Essex county branch	F-923
Ms. Kim Willis	
Ms. Colleen Campo	
Elementary Teachers' Federation of Ontario Thames Valley Teacher Local	F-925
Mr. Craig Smith	
Motor City Community Credit Union	F-927
Mr. Charles Janisse	
Sun County Lyme Awareness Support Group	F-929
Ms. Cheryl Abbate	
Corporation of the City of Windsor	F-931
Mr. Onorio Colucci	
Ms. Jelena Payne	
Mr. Bruno Ierullo	
Mr. Rob Oleynik	
Mr. Mark Winterton	
Hospice of Windsor and Essex County	F-934
Ms. Carol Derbyshire	
Legal Assistance of Windsor; Community Legal Aid	F-936
Ms. Marion Overholt	
Chippewas of Kettle and Stony Point First Nation	F-938
Mr. Marshall George	
Ms. Cathy Hampshire	
Chatham-Kent Health Coalition; Sarnia-Lambton Health Coalition	F-940
Ms. Shirley Roebuck	
Registered Nurses' Association of Ontario, Windsor-Essex chapter	F-942
Ms. Deborah Kane	
OPSEU	F-944
Mr. Monte Vieselmeyer	
Municipality of Brooke-Alvinston	F-946
Mr. Don McGugan	
Windsor Regional Hospital	F-951
Mr. David Musyj	
Greater Kitchener-Waterloo Chamber of Commerce	F-953
Mr. Art Sinclair	
Association of Municipalities of Ontario	F-956
Mr. Gary McNamara	
Spirits Canada	F-958
Mr. Jan Westcott	
Mr. C.J. Hélie	
Windsor and District Labour Council; Pathway to Potential	F-961
Mr. Adam Vasey	
Mr. Brian Hogan	

Continued on inside back cover



F-33

F-33

ISSN 1180-4386

Legislative Assembly of Ontario

First Session, 41st Parliament

Assemblée législative de l'Ontario

Première session, 41^e législature

Official Report of Debates (Hansard)

Wednesday 20 January 2016

Journal des débats (Hansard)

Mercredi 20 janvier 2016

Standing Committee on Finance and Economic Affairs

Pre-budget consultations

Comité permanent des finances et des affaires économiques

Consultations prébudgétaires



Chair: Soo Wong
Clerk: Katch Koch

Présidente : Soo Wong
Greffier : Katch Koch

Hansard on the Internet

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. The address is:

<http://www.ontla.on.ca/>

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 416-325-3708.

Le Journal des débats sur Internet

L'adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance est :

Renseignements sur l'index

Adressez vos questions portant sur des numéros précédents du Journal des débats au personnel de l'index, qui vous fourniront des références aux pages dans l'index cumulatif, en composant le 416-325-7410 ou le 416-325-3708.



LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRSCOMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Wednesday 20 January 2016

Mercredi 20 janvier 2016

The committee met at 0900 in the Valhalla Inn, Thunder Bay.

PRE-BUDGET CONSULTATIONS

The Chair (Ms. Soo Wong): I'm going to call the Standing Committee on Finance and Economic Affairs to order. Welcome to Thunder Bay.

CENTRE FOR RESEARCH
AND INNOVATION
IN THE BIO-ECONOMY

The Chair (Ms. Soo Wong): The first witness coming forward is the Centre for Research and Innovation in the Bio-Economy. Welcome, gentlemen. Come on down. I believe you have a handout for us. That's great, thank you. We have Doug Murray, the CRIBE director and CEO of the Thunder Bay Community Economic Development Commission, and Scott Wiebe.

Good morning, gentlemen. Welcome. You have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will begin with the government side. You may begin at any time. When you begin, please identify yourselves for the purpose of Hansard. Thank you.

Mr. Scott Wiebe: Sure, thank you very much. My name is Scott Wiebe. Like you said, I'm at the Centre for Research and Innovation in the Bio-Economy. With me is Doug Murray, as you had mentioned. I'm going to be going through a handout that I've passed around and you can feel free to follow along.

The Centre for Research and Innovation in the Bio-Economy was set up in 2008 as a \$25-million investment from the Ontario government to really invest in new, innovative uses of wood fibre. It's been a seven-year mandate and the purpose of today is to continue that current project spending that we've been doing at around \$3.5 million per year.

The focus of CRIBE has been on the commercialization of research and innovation, moving beyond the traditional manufacturing of pulp, paper and lumber. As you may or may not be aware, Ontario has lost 50% of its forestry manufacturing in the 2008 US housing crisis. Northwestern Ontario, in particular, lost 80% of its manufacturing capacity.

That was the impetus of why CRIBE was started. We're looking at new products, processes, jobs and busi-

nesses using forest biomass. CRIBE is unique in that we're a small, lean organization with a volunteer, senior, experienced board of directors. They represent industry experts both in Ontario and Canada-wide, drawing on their entrepreneurial and technical expertise. It's been a real asset to have those folks volunteering their time for the purposes of advancing Ontario's bio-economy.

The funding that CRIBE provides: We're in the high-risk range where we fund pilot and demonstration projects of new uses—we fund up to 50% of a project and we require the proponent to put at least 25% cash into the project, so there has to be buy-in, but we recognize that it's a high-risk environment.

We work closely with other research organizations such as the Sustainable Chemistry Alliance in Sarnia. We've worked with the BioAutoCouncil; FPInnovations, which is the forestry research consortium in Canada; NRCan etc. We've worked very well with the rest of the funding partners around Ontario, trying to make things work.

Part of the objectives of CRIBE is to create new jobs and skills in the workforce, supporting existing businesses in Ontario's forest-dependent communities. I can't stress enough how much there are communities that are completely forest-dependent. The closures in Fort Frances and Iroquois Falls are recent examples of what can happen when the industry is not innovating and not moving forward. We work on expanding and diversifying from traditional forest products with higher commercial value. Part of that is moving into developing new novel materials using forest biomass.

We're really focused on enabling the manufacturing shift towards green products. Looking into the low-carbon economy—I'm going to mention this later—this is really where CRIBE is. We've keyed up years ahead of where the low-carbon economy is going. Forestry has always been a low-carbon economy. How can we be moving into the rest of replacing petroleum products in manufacturing processes?

We've funded over 17 projects across Ontario to date. Most projects range from \$100,000 to \$3 million per project.

Now, I have a map on handout 4. We've worked across Ontario, recognizing that wood fibre is largely based in northern Ontario, but there's a lot of chemical and other manufacturing processes that happen in southern Ontario. Really bridging that gap is why we've

partnered with those other organizations that I mentioned previously.

I'd just like to focus on three of them. You have a glossy handout, as well. In there are some more projects that you can look through, whatever catches your eye on that side, but I'd like to focus on three of them across the province just to give you the breadth of what we're working on.

If you look over to the east, in Renfrew, near Ottawa, we've invested \$1.5 million to leverage \$4 million to create a first-of-its-kind dedicated biofuels plant. Now, what this does is very unique. They take 25,000 tonnes of sawmill residues from nine local sawmills in the Ottawa Valley and then condense it into a renewable fuel oil. It's literally liquid wood—that's what they like to call it. It is a direct replacement for heating oil—a 100% replacement for heating oil.

They're actually currently exporting to the US northeast, to hospitals and other public facilities. Those facilities are looking to lock in cost certainty in fluctuating oil markets. So they're at the end of the pipeline, literally. They're subject to peak pricing and everything like that. These hospitals and other facilities have looked into and invested in this process, which is moving liquid wood into these facilities. The US Environmental Protection Agency has recently approved Ensyn Renfrew plant as a registered facility under the US Renewable Fuel Standard Program. This is really big news. This is exciting. We have, in Ontario, an export market to the United States for liquid wood fuel. They're now being able to produce cellulosic biofuel, eligible for credits under the renewable fuels program. That's a direct result of 28 full-time jobs in Renfrew.

If you look further south into Chatham, we've invested \$2 million to date into GreenField ethanol with a contingent tie-in to Lakehead University for \$900,000. This facility is the only one in the province that will allow the complete breakdown of wood fibre outside of a laboratory environment. This unique opportunity is a collaboration between north and south and is at the forefront of the new uses for wood biomass.

The main focus is on the design and development of a biorefinery, using its \$42-million demonstration plant at the Centre of Excellence in Chatham, Ontario. Where this fits in with CRIBE is that they're using poplar, which is a very underutilized species in Ontario. GreenField has developed ways to recover different parts of the wood—I won't get into those here—and they're looking at integrating all of the different parts of the wood and making markets for it.

The Lakehead portion is to look at developing new value-added uses from these products, such as adhesives, biochemicals and biopharmaceuticals. We've been working with them for a few years now. It has been very, very successful, and they're now looking to actually move their production into a commercial facility. So there's a success story there.

Moving back to Thunder Bay, we've invested into a lignin research centre here. So there are three different

parts to wood: You have the cellulose that you make the paper out of; you have the hemicellulose; and you have the lignin, which is the glue. Lignin is always presented as a waste product. We've invested in a lignin extraction centre where we actually take lignin and extract it out and try to find new uses for it such as fuels, resins, rubber additives, thermoplastic blends, nutraceuticals and pharmaceuticals.

This is the only extraction facility. When it was started, it was the only one in North America. So we're really leading edge here in Ontario in moving forward in finding a use for this product. Since then, this facility has taken in tanker trucks full of lignin from other places across Canada and has been processing it here trying to find new uses for it. There are also strong ties to the university environment in this.

To conclude, where are we going? There are some key growth areas. We see building solutions—Ontario's tall wood building plan—as a key component for moving forward on the construction side; there's the world of biocomposites—using wood fibre is very promising. We have small energy systems for remote communities; it continues to be a key platform that we're working on, as well as value-chain maximization: making the best use of our wood fibre throughout the entire process.

The take-home message is that there are many, many different pathways for wood. We've invested in a few, but there's still a lot of potential going forward. Stressing that, the forest industry needs to remain healthy in a predictable and stable primary wood flow, and then this secondary manufacturing is reliant on that.

0910

The bio-economy will be fundamental in transitioning Ontario to a low-carbon economy. Like I said earlier, we've been hosting conferences with the Minister of the Environment and Climate Change on what forestry means in the low-carbon economy.

Continued funding of our projects: Like I said, we've been investing roughly \$3.5 million per year from the Ontario government to invest in the low-carbon economy. Future innovation requires this incubation, this investing in that higher-risk side, to continue.

Thank you for listening.

The Chair (Ms. Soo Wong): All right, perfect timing: 10 minutes. I'm going to turn to Ms. Vernile to begin this round of questioning.

Ms. Daiene Vernile: Thank you very much, gentlemen, for coming in this morning and speaking to us. You are our first speakers, so we're all alert. We've been caffeinated and we're all paying attention.

I'd like to thank you for informing us of the important work that you're doing and expressing your support for CRIBE. As the parliamentary assistant to the Minister of Research and Innovation, I've just completed a tour of various innovation centres across Ontario. We were making announcements, and in particular, when we were in the north in North Bay, we went to the regional innovation centre there, and I was very impressed with

some of the wonderful ideas that young people are coming up with and how they're creating jobs.

That leads me to my first question. Within our government, we want to know that we're getting a good bang for our buck. We invested \$25 million in CRIBE. How can you tie this to the jobs that you're creating? How many jobs have you created, and what is the amount of dollars that you've generated for our economy?

Mr. Scott Wiebe: I'll take a first crack at it. If you want to add in anything, Doug, feel free to.

On the jobs side, we haven't invested the full \$25 million yet. So far, we've had about \$17 million of that put in and we're working with the government on continuing our mandate. That's where the mandate extension comes in.

We've had roughly 100 jobs directly with the investment, but then there has been—like I said, this is in the pilot and demonstration stage, so we're building small things that then move on to commercialization. So these small investments have now been moving forward successfully into much larger ones that CRIBE hasn't been—we don't have the metrics to be involved with that side of it.

We've also been highly tied into the university environment, working on creating new highly qualified personnel to work in that.

Does that answer your question?

Ms. Daiene Vernile: You commented, too, on how in 2008 you saw dramatic changes to your industry tied to the housing crisis in the US. You are obviously changing the way you are approaching this industry, and it's good to see that.

There are many people who are troubled by a low Canadian dollar these days, but how is that going to impact you if you are exporting to places like the States?

Mr. Scott Wiebe: I'll let Doug answer that.

Mr. Doug Murray: In response to your question, the forest industry started making changes in the year 2000. The largest consumption of newsprint occurred in the year 2000—actually, it was funny—with the dot-com bubble that occurred, and we've seen declines since then. In the year 2000, newsprint would have been around 15 million tonnes of consumption, and now it's four, so we've lost 65% to 70% of newsprint consumption. And paper consumption in general has declined. Very rarely do you get presentations on paper now, right? So when you look at these dependent communities, whether it's Iroquois Falls in northeastern Ontario, whether it's Fort Frances, whether it's other places like Kenora, these towns were all paper towns. They all made paper.

So we need to continue to drive our research. The forest is still here; the boreal forest is still intact in northern Ontario, and it still potentially has 25 million cubic metres of annual cut. So what are we going to do with that? It's a huge resource that a lot of people's lives are dependent on. This program helps drive the research and the young people's ideas on how to move forward using the forest in a sustainable way. That's why we want to continue that.

Our traditional methods—right now, the primary forest industries are kraft, are lumber, and we still need that from the point of view that those people give access to the forest to bring in raw materials that we can use for these other products. Until we can get these other products to completely grow up, we still need that primary forest industry. But there's going to be continued pressure on the kraft business in North America: the farms of South America as we cut down more jungle and create more plantation farms. That pressure still exists on the Canadian kraft industry. Having this program to help support other people's research and other people's product development will lead to new products.

We just talked briefly about GreenField. I happened to participate in a phone call with them the other day, and they're looking at commercializing into northern Ontario now. They are looking at Thunder Bay, Sudbury, and possibly other towns in northern Ontario to look at where they make the next step now to take some of the products they've been making in Chatham in moving forward.

Is it a slam dunk? No. Do we still have work to do? Yes. But if we don't do that type of work, then we'll have a nice little bit of parkland in northern Ontario, and that's not what we're looking for as a resource—

The Chair (Ms. Soo Wong): Okay, Mr. Murray, Mr. Wiebe, thank you for your presentation, and thank you for your written submission as well.

Mr. Scott Wiebe: Good luck in the future.

The Chair (Ms. Soo Wong): Thank you very much.

CITY OF THUNDER BAY

The Chair (Ms. Soo Wong): I believe the next group before us is the city of Thunder Bay: Mayor Hobbs; Mr. Gale, the city manager; and Mr. McKinnon, the vice-chair of intergovernmental affairs. The Clerk is coming around with the written submission.

Gentlemen, welcome and good morning. As you heard earlier, you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from the official opposition party. You may begin any time. When you begin, can you please identify yourselves for the purposes of Hansard.

Mr. Keith Hobbs: Thank you, and thank you very much for attending Thunder Bay for these pre-budget consultations. As you know, Thunder Bay will be 50 years old in a few years, and we are one of the fastest-growing cities in Ontario. Infrastructure is very important to us, like other communities. We're struggling with an infrastructure gap, but the good news is we're beating that gap. We put an extra 1.5% of our budget into an enhanced infrastructure renewal plan and we are beating down our deficit in a good way.

We're looking to the government for funding for other big infrastructure projects, and one before you is the Thunder Bay Event and Convention Centre. We have handed out information on that. It's a huge project, a regional project that's going to be an economic driver.

Thanks to the province and the feds, we've revitalized our waterfront. That core is really developing. Our art gallery is going to move down there, and this is going to be the crowning jewel.

It's a six-year project. So far, we're near shovel-ready, and we've been to the government, OGRA and AMO asking for funding. If you look at the person-hours of labour that are attached to this, if you look at the economic development attached to this and the taxes to both levels of government, it's just a great project for the region. I'm not going to speak too much more on it because you have the handout and we've been to you before on it.

The OCIF, the Ontario Community Infrastructure Fund, is one of the best projects we've seen, and we've been the beneficiary of that as a city. We would like that to continue. The reconstruction of Balmoral Street, one of our main arteries, is attached to that project as well. So we would ask you to have a look at that for sure.

The biggest issue in Thunder Bay right now is homelessness, housing, and drug and alcohol addiction. Toronto had 43 deaths of homeless people last year, a city of 2.5 million people. Thunder Bay had 17 deaths of homeless people for a city of 120,000. I don't need to say any more on that issue. We know that the government is coming out with a homelessness strategy soon. There has to be funding attached to that for municipalities, and this municipality wants to work with DSSAB and other agencies in the government to eradicate homelessness. If you look at what they did in Medicine Hat, there was \$33 million from the province and they eradicated homelessness. There's no reason why Thunder Bay can't do the same with similar funding. We're hoping there are dollars attached to that, for sure. We have a shelter house that is over capacity every single night.

The city of Thunder Bay funds an alcohol management program. We've taken 15 of the most marginalized people off the streets and are housing them and teaching them life skills. It has taken the burden off police, off EMS; the hospital doesn't have to deal with these homeless people. We don't get funding from the government for that alcohol management program. It's a health program, and I don't believe the city of Thunder Bay should be funding health programs, so we're asking the province to take that over.

We have been to AMO and have spoken to the Minister of Health and the Minister of Municipal Affairs and Housing on both of these issues several times.

0920

Thunder Bay district jail: We've met with Minister Naqvi and he has said that they don't want to build jails. In 1977, I was the first police officer at a jail riot. It was over horrible conditions. This last year, just in December, we had another jail riot. A correctional officer was taken hostage. He was very lucky that he didn't sustain severe injuries, but I'm sure he'll be suffering with post-traumatic stress disorder, as did people in 1977. That jail is a rathole, and I can't put it any other way. I don't know how to say it nicely. Albeit you're looking at the whole

correctional system and how we rehabilitate people, this is a case where that facility just needs to be replaced. I'm not going to say too much more on that. It has been in the public domain.

Mining readiness strategy: We're very pleased that the government of Ontario has put aside a billion dollars for infrastructure. We've had meetings with Minister Hajdu and MP Rusnak, from Thunder Bay. We have three ministers in Thunder Bay now. We think it's the perfect storm, with a provincial Liberal government and federal Liberal government. It's time to get that infrastructure built, so that we can see some extraction in the Ring of Fire, especially.

Mining is a huge issue, but with mining, we need the transportation corridors. We also need the energy as well. I know my colleague Councillor Iain Angus, from NOMA, is going to speak to those issues later on, so I won't touch on them too much.

On non-urgent transportation, I'm going to acquiesce to Norm Gale, who is the new city manager for Thunder Bay but was the chief of paramedic chiefs in Ontario.

Mr. Norm Gale: Thank you, Mayor Hobbs. Some of you may know that it's an issue that's important to municipalities, and that is that municipalities deliver a health care service in EMS. Unfortunately, in rural and northern Ontario, the utilization of paramedics for non-urgent inter-facility medical transportation does divert from their core duties of responding to emergency 911 calls.

In the city and district of Thunder Bay, we have submitted a proposal to the North West LHIN that provides a solution to this problem. The North West LHIN has accepted that proposal. However, they have not provided funding towards it, nor have they indicated that funding is coming any time soon.

This is inconsistent with decisions made at other LHINs across the province, where both seed and operational funding have indeed been made, to release paramedics and ambulances of this obligation. We think this is an important issue here, because municipalities are, along with the province, providing funding, and this does confound the provision of emergency response in the city of Thunder Bay, but also in the rural areas in the district of Thunder Bay. We ask the province and the government to provide funding so that the city of Thunder Bay can provide a solution to this problem. Thank you.

Mr. Keith Hobbs: My next item is the closure of our city's two delisted homes. We're moving into the St. Joseph's Care Group one—the Centre of Excellence. We thank the government for the assistance on that. But those were due to close in 2009, and the province, through the Ministry of Health, has asked us to continue operating those homes.

We're concerned about annual operating deficits, emergency capital repairs and incremental closure costs. So far, the government has provided funding up to December 31, 2015, but we're going to have to operate well into 2016, as we've just started the big move. Those

estimated costs are about \$3,070,000. We're asking for continued funding until that transition is totally complete, and all the costs associated with it.

Heads and beds: Provincial payment in lieu of taxes for universities, hospitals and correctional institutions, known as heads-and-beds payment, has been unchanged at \$75 per student since 1987. I know that we have been hammering away at different levels of government since 1987 to get that upgraded.

Payments do not meet the actual costs to municipalities to provide necessary services. We're asking the government to adjust it so there's an annual inflationary adjustment applied to the rates each year, moving forward.

Also, designated airport authorities make payments in lieu of taxes to municipalities, based on a formula that applies to passenger traffic. We're asking that those be upgraded as well. I know that NOMA is going to talk about railway and hydro lines as well.

I'm probably at my 10 minutes or close to it.

The Chair (Ms. Soo Wong): No, you've got two more minutes, Mr. Mayor.

Mr. Keith Hobbs: Two more minutes?

The Chair (Ms. Soo Wong): Yes.

Mr. Keith Hobbs: I've covered all of my items, but—

Mr. Brian McKinnon: Interest arbitration.

Mr. Keith Hobbs: Yes. Interest arbitration is a big issue with police and fire. We are lucky that our police just settled for a five-year deal, and we held our firefighters down.

I saw this, and I'm probably part of the problem, because as a negotiator for police over the years, I probably helped drive up these costs. But looking on the other side of it now—and I've said it at LUMCO. I said that what needs to happen is the piggybacking has to stop. Justice Ferguson, who was an arbitrator back in the day, said that police should be compared to police. The yardstick for police wages should be police to police. Somehow, firefighters started comparing themselves to police and there is this piggybacking. Somebody has to get the intestinal fortitude and just stop that practice. They're two different jobs; they're totally two different jobs. I'm not saying that one's any less important but one's a lot riskier than the other, a lot more lives lost in one profession. That whole system has to be revamped.

Arbitrators have to take into consideration municipalities' ability to pay. That needs to be entrenched right in the police and fire acts and give cities a break.

The Chair (Ms. Soo Wong): All right. Thank you very much. I'm going to turn to Mr. Fedeli to begin this round of questioning. Mr. Fedeli?

Mr. Victor Fedeli: Good morning, Your Worship.

Mr. Keith Hobbs: Good morning, Mr. Fedeli. Nice to see you again.

Mr. Victor Fedeli: Nice to see you again. I think it's been all of three weeks since we were last here.

I want to talk about the jail first. You said that the jail—in the politest terms you could use—looked like a rathole. MPP Toby Barrett and myself, along with our

leader, Patrick Brown, toured that facility in December, only days after the riot. I have to tell you that it would take a lot of paint and a lot of work to get it up to the level of a rathole, in my opinion. I've never seen such deplorable conditions of anything in my life. It sickened me. I have toured jails in the past but I've never seen anything like that. I would encourage all members, if you have an opportunity, to tour this facility. This is ancient beyond words.

Mr. Keith Hobbs: They'll show you where they used to hang people when you tour that jail.

Mr. Victor Fedeli: It was a real shock to the system. I know you said that the minister has said we're not building new jails. This is one that, if there is such a thing as an exception, this is exceptional. It needs—I would like you to spend a minute talking about that.

Mr. Keith Hobbs: Yes, I totally agree with that, Mr. Fedeli. As a former police officer, I escorted prisoners there all the time. The prisoners' conditions are deplorable, so the corrections officers' conditions are deplorable, because for the correctional officers, that's their environment as well.

There's a bunk bed: There's a person on the top bunk, a person on the bottom bunk, and then someone sleeps underneath the bottom bunk. It's just filthy. The floors are filthy. They smoke; they blow their smoke into the ventilation system. Administration staff have to breathe that smoke in. You just have to go through it. I can't do justice to how horrible it is until you go through it, like you said.

Like I said, in 1977 I was the first officer at the scene. Somebody was running out with the keys to the jail, and the whole issue was conditions. There is no rehabilitation involved in that jail.

The thing that really gets me is that people who are in that district jail are on remand, so they're innocent. Those are innocent people; they're not proven guilty yet. Yet the correctional centre, which is a nicer facility, houses people who have been sentenced. Here, you're taking presumed innocent people and you're putting them in those horrible conditions. It's just not right.

Mr. Victor Fedeli: Well, they won't stay innocent long in that environment, I can guarantee you that.

Your number one priority appears to be the event centre, and that is because of economic development. Am I correct in that—

Mr. Keith Hobbs: Yes, Mr. Fedeli. The province and the feds have been very generous. They're funding us for our waterfront development. We put about \$70 million into our waterfront. There's about a \$100-million private investment going on there with condos and a hotel. It's just brought vibrancy to the whole downtown core. The art gallery wants to move from Confederation College property to the waterfront. It's the place to be.

0930

Mr. Victor Fedeli: And that, of course, contrasts with your number one issue: homelessness.

Mr. Keith Hobbs: We've seen record numbers of people coming to the downtown. We had 25,000 people

at Canada Day on our waterfront. We had 8,000 people for our blues fest. It's just a vibrant area. We've seen new condos springing up, new restaurants—we have built a downtown core. We have a new law school, thanks to the province, in the downtown core. It's a huge economic development piece. There are going to be tax dollars for the province and the feds. There is going to be employment, jobs, forever.

Our current facility is 62 years old. If you talk to any person, we can't get shows here. We can't attract conferences. I was at the chiefs' assembly conference yesterday, and they said they'd have their national conference here in Thunder Bay, but we won't have it. We don't have facilities.

Mr. Victor Fedeli: I want to wrap up, then, with you, as you said, number one issue, the homelessness. Can you just give us a bit of a picture so we understand what you're referring to?

Mr. Keith Hobbs: I do walkabouts as a mayor, and I walk over people sleeping out on the streets and under vehicles. A lady died right across from city hall, right in the laneway that I can see out the window of my city hall office.

Like I say, when you lose 17 people in one year, compared to 43 in Toronto—do the math; it's a huge problem. We're a catchment area for First Nations people coming down from the north for a better life. When those kids don't make it in school, they couch-surf. They want to stay in the city because they have nothing on their reserve. It's a horrible, horrible situation. With that comes alcohol, drugs, violence and crime. We had 11 homicides in 2014, and some of those were attributed to homelessness. There's a whole raft of issues that go with homelessness.

I said it in the *Globe and Mail*, I said it in the *Toronto Star*, I was on Canada AM and I said it nationally: If we can get a handle on our social issues and our homelessness in Thunder Bay, we're going to get the whole issue of our crime—and racism is connected to that. We're going to be a beautiful city—we already are a beautiful city, but we'll be the most beautiful city.

Mr. Victor Fedeli: Thank you very much, Your Worship.

The Chair (Ms. Soo Wong): Thank you very much, Mr. Mayor, Mr. Gale and Mr. McKinnon, for your presentation as well as your written submission.

Mr. Keith Hobbs: Thank you very much. We appreciate your time.

The Chair (Ms. Soo Wong): Hopefully we'll come visit your convention centre someday.

NORTHWESTERN ONTARIO MUNICIPAL ASSOCIATION

The Chair (Ms. Soo Wong): The next group coming before us is the Northwestern Ontario Municipal Association. Mr. Angus, welcome and good morning.

Mr. Iain Angus: Good morning, Madam Chair and members of the committee.

The Chair (Ms. Soo Wong): The Clerk is coming around with the written submission, so thank you. You may begin any time. You have 10 minutes for your presentation. This round of questioning will be coming from Ms. Fife from the third party. Welcome.

Mr. Iain Angus: Thank you, Madam Chair. I want to echo the comments of Mayor Hobbs: Thank you very much for once again holding hearings here in northwestern Ontario. We strongly believe that we are different than other parts of Ontario and we're different than other parts of the north. While some of our issues may be similar, I think we have some nuances that will help to facilitate your understanding of who we are and what we're faced with.

NOMA represents all of the municipalities in the Thunder Bay, Rainy River and Kenora districts, and we have for many, many years. We've got an excellent working relationship. We believe that northwestern Ontario needs to be supported in its bid for the development of a strong and diverse economy through the province taking leadership in planning, developing and owning the infrastructure necessary to support the Ring of Fire development.

It's also important to extend regulatory and infrastructure support to the other mining ventures under way in the northwest. You have in your package a map that shows all of those potential projects. We keep reminding people that the northwest is much more than the Ring of Fire. Because of the numerous discoveries and mining companies involved, the Ring of Fire is a unique development in Ontario. As such, we have continued to argue that it requires a more planned public approach than what has occurred in the past.

Noront Resources is the lead company in the Ring of Fire, but their project is currently at risk. Ontario can intervene, as a partner with First Nations and industry, to remove and/or mitigate the barriers and move this development to the production stage. There are no significant projects as mature as Noront's Eagle's Nest.

Financial support from Ontario is essential if a road is to be constructed to serve the Ring of Fire. Specifically, an east-west road is required to access the Eagle's Nest deposit from the Pickle Lake highway extension or the so-called north road. Four First Nations would see immediate benefits, as would the new mine, as well as paving the way for the development of the numerous deposits distributed throughout the Ring of Fire.

Transmission infrastructure should also follow the same artery and be paid for the same way. This will take four First Nations off of diesel generation and eliminate the need for Noront to establish their own diesel generation facilities. In turn, the combined effort will reduce the impact on the environment.

As a result of the United Nations' climate change summit held in Paris, many governments are obligated to reduce emission targets. Implementing this infrastructure plan would certainly assist in meeting Canada's commitments and would showcase Ontario as a leader in saving the planet. We urge the Ontario government to commit to

assist the Eagle's Nest development in implementing the east-west road and transmission corridor.

We are on the cusp of significant economic growth, but government investment is required. In addition to the six mines currently in production, there are 22 mines outside of the Ring of Fire that are in the planning and development stage. We believe that at some point in time, each and every one of these mines will come into operation. The manufacturing industry in Ontario will see substantial growth as a result of the mining taking place in northwestern Ontario. This will be the economic driver for the province of Ontario. It's the government of Ontario's job to make this happen, not the private sector.

The auto industry has historically received billions in government investment from both levels to support its growth and economic development. The mining industry now needs similar support through infrastructure investments that will drive the economy for decades to come. We ask that you immediately commit to creating a cross-ministry implementation task force with a mandate to expedite the investment and regulatory streamlining necessary to ensure that there are no barriers to these mines coming on stream.

I want to now touch on railway taxation. Municipalities—like the Ontario government—are facing a lot of fiscal challenges. We're seeing reductions in industrial assessments—you heard Doug Murray talk about the decline of the forest industry. That has hit us hard in the northwest. That means that municipalities don't have the dollars to do what they used to do. Then there are the reductions of the OMPF and its impact on our communities.

We haven't sat idle. We've taken a look at what we can do: What are the opportunities available to us for revenue generation? One that has been identified by one of our member communities is railway taxation.

Under the Municipal Act, the government sets the rates of tax to be imposed by a local municipality on land occupied by railways. A lot of our communities are large land masses, and if you look at page 3, you'll see the chart that shows, for the districts of Kenora, Rainy River and Thunder Bay, how little those communities are paid in taxes by the railways: a few thousand dollars, as compared to what other communities elsewhere are receiving.

The current mechanism is that it's a \$1 per acre. The total acreage that the railway occupies, whether it's the mainline track or the yards: That's what they are taxed on. In Manitoba, Saskatchewan and Alberta, where the vast majority of the railway products come from, whether it be petroleum, grain or potash that moves through the northwest, they do a dollars-per-tonne-mile taxation rule for the railway companies, and that generates substantial dollars for them.

For example, Swift Current received more than \$571,000 a year for right-of-way compensation. If that same taxation scenario were applied in Ontario, particularly in northwestern Ontario, the town of Fort Frances—which, as Doug Murray mentioned, lost its mill—would

be receiving \$3 million a year instead of \$3,600. If you think about that in the context of all of our other asks, which is usually that the government of Ontario give us more money, here's a way in which we can solve some of our problems by you just giving us a better tool than what we already have.

Our request to you, to recommend to the government, is that they implement a dollar-per-tonne-mile taxation structure for the railway companies.

Switching to municipal infrastructure funding, investments in roads and bridges as well as other critical municipal infrastructure such as water and wastewater, storm water, transit, public housing and all the other services that municipalities deliver to our citizens are investments in our quality of life that support continued economic growth and development. But it's a challenge for all of us to maintain our infrastructure.

Further complicating the issue is the requirement by the province that municipalities must use reserve funding or take on debt in order to be eligible for provincial funding. The government needs to recognize that property taxes in northern Ontario are typically higher than their counterparts in the south. All you have to do is compare Toronto's home taxes to Thunder Bay's home taxes to Rainy River's home taxes. There is a significant difference.

0940

Under the Municipal Act, we are required to responsibly manage our finances. We are doing this, yet municipalities who have operated in a fiscally responsible manner, who pay as they go, are now being penalized by the government because they have declared that they are ineligible for major infrastructure projects.

While we appreciate the \$100-million infrastructure fund to help small, rural and northern municipalities undertake infrastructure projects, too many of our communities are ruled out at the start. While it is intended to provide consistent base funding, the government needs to recognize that there are limitations that small northern communities face in terms of generating revenue to pay for their share of large infrastructure projects and capital purchases.

Mayor Hobbs talked about the "heads and beds" payments. I'm not going to go into that in any detail, other than to say that next year is the 30th anniversary of the last time this rate was changed. It's about time. As someone once said, "It's 2015." Well, now it's 2016. It's about time to make that change.

In conclusion, the future of Ontario is in the north. We were pleased to see the province releasing earlier this week a statement around regulatory burden changes and the launching of the Red Tape Challenge this spring. One of the things we want to suggest is that the forestry and mining components were listed almost as an afterthought, that we'll get to it whenever. That needs to be at the front end of the review.

I'll give you one example. The Ontario Energy Board has just commenced a consultation on who should pay for transmission. Up until the late 1990s, throughout the history of Ontario Hydro, any improvements to the grid,

any additions to the grid, were paid for by the ratepayers as a collective. Since the late 1990s, that's now become a business case, so that the proponent, i.e. the mine that needs the power, is going to have to pay for that transmission line. So a mining company that is already seeking market support for a half-billion-dollar project must also try to get \$100 million, \$200 million, \$300 million to pay to hook up the wires to the grid—

The Chair (Ms. Soo Wong): Mr. Angus, I am going to just stop you here. I'll turn to Ms. Fife to ask you some questions about your presentation.

Mr. Iain Angus: Okay, fair enough. Thank you.

Ms. Catherine Fife: Thank you very much, Mr. Angus, for your presentation. You've covered a lot.

I think I have a responsibility to raise the issue of the Ring of Fire, because I think the frustration out there in the progress—some people are calling it the Ring of Smoke, because there are a lot of promises that have been made. Do you want to address the weight and the importance of the east-west transmission corridor to the impact of this project fully?

Mr. Iain Angus: Certainly, thank you. Just to put it in context, there are two separate proposals for how to connect the Ring of Fire area to the rest of the province. One is the east-west road which was proposed by one particular mining company.

Let me diverge a little bit. There are different requirements by different types of mines. A chromite mine requires heavy rail to move its material out; a copper/zinc/nickel mine only requires a road. So there are rationales for the two different approaches.

One company has proposed an east-west road. They are the first ones out of the gate. They need to have that road. It's halfway there. There are winter roads already in existence. There are some all-weather roads. So it's much easier to connect the two. They are looking at a slurry pipeline that would take the ore partway through to a processing facility. It's much easier to do the work. The engineering has been done by the mining company. The province is now working on doing their own assessment, although one of the frustrations is that the province apparently is not talking to the company that already did the work, and that's a real disconnect.

The other is a north-south route which has been staked by one of the companies. There's an article in the paper today about their work with a Chinese company to do further research on building a rail line to connect in Greenstone.

Both are viable; both are appropriate. We just want to see the east-west one started now. The province needs to put in a good part of the money to build it because, really, it's public infrastructure. It's not just for one mine. Once that road is built, the exploration will ramp up on all of the other 15 or 18 properties in the Ring of Fire, and that's what will really drive the economy of the northwest. But we've got to have that infrastructure—roads and transmission—in place sooner rather than later.

Ms. Catherine Fife: That's an important point, because we want to see those other mines developed as well.

Thank you for making the point about the greenhouse gases. I think it would be really surprising for people to learn that there are four First Nations communities running on diesel, so we have to address that.

Mr. Iain Angus: Actually, there are probably 20 to 25 communities running on diesel.

Ms. Catherine Fife: You cited those four, though.

Mr. Iain Angus: Yes.

Ms. Catherine Fife: This would address that issue.

The railway taxation: Thank you for the reminder on this. This came up at AMO in the summer. I know that NOMA met with the ministry staff. I think that there was genuine interest at the time, but I'll follow up on this issue. I remember the feedback from the ministry was that this is a very complicated formula. But if other provinces can figure out a fair and equal railway taxation system, then Ontario can.

Mr. Iain Angus: Actually, if you look at the chart, you'll see that within Ontario, there are different rules in different parts of Ontario. Some municipalities or regional governments get significantly higher dollars than we do up here.

Ms. Catherine Fife: Yes. So we need a right-of-way compensation model that is fair and equitable and transparent.

Mr. Iain Angus: And it's a cheap one for the province to implement.

Ms. Catherine Fife: That's right.

Your point around municipal infrastructure funding, and how the government has further complicated this issue through asking municipalities to use reserve funding or to take on debt to be eligible: The north is a different beast, so I think that this point really resonates well with us. I'll follow up on this as well.

Mr. Iain Angus: Thank you.

Ms. Catherine Fife: Anything else that you'd like to leave us with?

Mr. Iain Angus: I just want to echo the comments of Mayor Hobbs in terms of solutions for homelessness. Housing First is an appropriate tool that I think the province should use. That comes under the construct of the DSSABs, under NOSDA.

But we certainly do need more dollars for social housing, both in terms of new capital, but also in terms of supportive housing—a lot of the people who are homeless cannot live independently without some kind of assistance on an ongoing basis—and funding for rent supplements. The private sector has a real role to play.

This applies right across the north, in small communities and big communities. We all have challenges, and we need increased support from the provincial level.

Ms. Catherine Fife: Thank you for that. I'll follow up with our health critic on the North West LHIN and the emergency patient transfer and emergency services. This is a long-standing issue. We need to find a solution, and they need to fund it, because accepting a proposal but then not providing any funding for emergency transfer of patients is a problem.

Mr. Iain Angus: Yes, it is. Thank you.

The Chair (Ms. Soo Wong): Mr. Angus, thank you very much for your presentation and your written submission as well.

ONTARIO DENTAL ASSOCIATION

The Chair (Ms. Soo Wong): The next group coming before us is the Ontario Dental Association: Amanda MacKenzie and Jerry Smith. Welcome and good morning.

Dr. Jerry Smith: Good morning.

The Chair (Ms. Soo Wong): I'm going to let you settle in for a minute before we begin. As you probably heard, you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from the government side. You may begin any time. When you begin, can you please identify yourself for the purposes of Hansard. Thank you.

Dr. Jerry Smith: Good morning, Chair Wong, Vice-Chair Milczyn, members of the committee, ladies and gentlemen. My name is Dr. Jerry Smith. I'm a practising dentist here in general dentistry in the city of Thunder Bay and have been since 1987.

I thank you for accepting the Ontario Dental Association's application to present this morning. Welcome to Thunder Bay.

Madam Chair, as the ODA's immediate past president and a practising dentist in this city, I have a perspective on oral health and dental care in Ontario that is both local and province-wide.

0950

I would like to speak to you this morning about the challenges that Ontario's most vulnerable citizens—low-income children, youth and seniors—face in accessing publicly funded dental care programs, and, on the other side, the issues that dentists across the province have both in participating in government dental programs and then demonstrating success and value.

First, some background: We can all agree that tooth decay and gum disease have recognized links to overall health and that oral health care is a priority public health issue. In a speech to the ODA last year, Minister of Health and Long-Term Care Dr. Eric Hoskins acknowledged the importance of ensuring that all Ontarians have access to dental care and treatment. He said: "The issue of access, prevention and treating oral health problems is vital to Ontarians' health and well-being."

Access to dental care and treatment for all children and youth in Ontario is a primary concern for all dentists. Every dentist in Ontario is committed to ensuring that no child ever goes to bed in pain. Ontario dentists have been delivering dental care and treatment for Ontario's most vulnerable for decades.

In fact, Ontario dentists created the very programs that provide low- or no-cost dental care to those most in need. It was only in the late 1950s that the dental profession partnered with the government of Ontario to deliver social assistance dental programs like the Ontario Dis-

ability Support dental program for children with disabilities and the Ontario Works program to provide emergency care for adults.

More recently, the ODA worked closely with the Ministry of Health and Long-Term Care staff and dental stakeholders to deliver on the government's commitment from December 2013 to integrate six different dental programs for low-income children and youth into a single, streamlined, centrally and electronically administered program. The new Healthy Smiles Ontario program was implemented on January 1, 2016, just three weeks ago, and it is an achievement to be celebrated.

The new Healthy Smiles program certainly improves on the six programs that preceded it, but what was implemented three weeks ago is not meant to be the last iteration of Healthy Smiles. The ODA and ministry staff as well as other stakeholders agree that the program is designed to grow and change. Well over 300,000 Ontario children and youth are eligible for Healthy Smiles, but those families' ability to access the program is hampered by inadequate funding. Healthy Smiles Ontario is simply not funded well enough to achieve the goals of the program.

The Ontario Dental Association is proposing that the savings achieved by integrating the six programs into one be reinvested into the program to improve dentists' ability to deliver dental care on behalf of the government and that new funding be allocated to ensure access to timely, high-quality care in every Ontario community. The ODA will work with the Ministry of Health and Long-Term Care to identify where additional savings can be found to fund priority aspects of the program and adequate funding to enhance access to dental care and treatment.

This leads into the second proposal that the Ontario Dental Association is presenting to this committee. Ontario dentists have an historic commitment to dental care and treatment for Ontario's most vulnerable. However, the government of Ontario is falling short on its commitment to reimburse dentists for providing dental care on its behalf. The ODA will provide a formal written submission to the committee which will clearly illustrate the decline in the government's commitment to dentists over the last 20 years.

As it stands today, dentists that provide care under public dental programs are reimbursed, on average, just 44% of the ODA's 2015 suggested fee guide. Ontario is in the last place in Canada, by far. The Canadian average for similar programs is about 80%. The current situation is neither sustainable nor equitable.

Ontario as a province spends just \$5.67 per capita on publicly funded dental services. The Canadian average: \$19.54. For many Ontario dentists, overheads are about 70% of revenue, far outpacing the estimated medical family practitioners' overhead of about 30%. Our overhead costs include office rent, equipment, materials, utilities and providing safe, well-paid employment to our employees: dental assistants, dental hygienists, receptionists and office managers—over 20,000 in all across the province.

When a dentist enters practice, that dentist becomes a committed contributor to the local economy and community. For every dentist in Ontario, at least three jobs are created: the dentist themselves, a dental assistant or hygienist and an office administrator. Dentists are often called upon to support their community through sponsorship of sports teams, the arts, special events and an array of other requests.

The math is quite simple. With overhead costs at about 70% of fees and reimbursement under government programs at an average of 44% of fees, dentists in Ontario are paying out of their own pockets to deliver care on the government's behalf. The consequences of this are that smaller numbers of dentists in Ontario are shouldering the burden of a growing number of patients, and waiting lists for care, especially complex procedures, are growing. This is neither sustainable nor equitable, and it must be addressed.

When I was ODA president, I toured the province, visiting with many dental societies, and I was delighted to find that my colleagues are committed community leaders. The proof of this is that my colleagues accept their social responsibility and always have, and would, as a start, be willing to accept a reimbursement rate of about 75% of current suggested fees. Seventy-five per cent will cover overhead costs and show that both the profession and the government of Ontario are working together to deliver timely, high-quality dental care and treatment to those most in need.

Another facet of publicly funded dental care in Ontario is hospital-based OHIP-insured dentistry. Hospital dentistry is essential to our profession and to the oral health of Ontarians. Teaching hospitals are where dental specialists train through internships and residencies, just like medical specialists. Sometimes, the hospital is the only place where dental care can be provided for people with serious disabilities, people who are undergoing or who have undergone life-changing health problems, people who are accident victims, etc. They all deserve to receive OHIP-funded dental care in a hospital close to home.

However, while the number of people requiring hospital-based OHIP-funded dentistry has increased, the budget for this essential care has remained stagnant. Furthermore, dental departments and clinics in hospitals are an easy target to cut spending. In southwestern Ontario, the Sarnia hospital cut operating room time for dentists to practically nothing, leaving patients there to travel to Windsor or London. Most recently in London, large cuts to OR time were made in the last quarter. This is not patient-centred evidence-based care; these are budget-centred funding-based decisions that have a real impact on real people's lives.

Hospital-based general practitioners and specialist dentists work incredibly hard each and every day in collaboration with their medical colleagues to treat the wide variety of patients that come through the hospital doors. Many dentists working in hospitals contribute a portion of their fees back to the hospital, ostensibly to

pay for space and equipment. And dentists are last on the list to get operating room time. Again, this is neither sustainable nor equitable, and it must be addressed.

The ODA is requesting that this committee recommend that adequate funding be allocated for hospital-based OHIP-funded dentistry to make up for the several years of freezes, along with increases to deal with population growth and inflation every year thereafter. This would ensure that dental specialists will continue to be trained—

The Chair (Ms. Soo Wong): Dr. Smith, can you wrap up your presentation, please? Thank you.

Dr. Jerry Smith:—and that Ontarians dealing with serious health issues or disabilities will continue to receive their dental care where it belongs: in a hospital in their community.

To conclude, Madam Chair, I appreciate the time to speak to you this morning and to this committee. I would also ask for this committee's support for something that doesn't cost the government any money. Minister Hoskins sent a letter to all municipal councils very, very recently, stressing the importance of community water fluoridation. Community water fluoridation benefits everybody in a community, regardless of their age or socioeconomic status. Community water fluoridation saves the government money. It reduces dental decay and dental problems and, in the long run, benefits everybody in the community.

Thank you very much, and I'd be happy to answer questions.

The Chair (Ms. Soo Wong): Okay, I'm going to turn to Mr. Milczyn to begin this round of questions. Mr. Milczyn.

Mr. Peter Z. Milczyn: Good morning, Dr. Smith. Thank you very much for your presentation this morning. I've had the pleasure of speaking to some of your colleagues back home—

1000

Dr. Jerry Smith: Dr. John Glenny.

Mr. Peter Z. Milczyn: Yes, Dr. Glenny. So I've already had the primer on this.

I just wanted your comments on the good working relationship between the ODA and the ministry, coming to the point where a number of programs were able to be integrated together. The overhead and administration costs were reduced and it streamlined the ability of people to actually access services. Could you explain a little bit more about, in practical terms, what all of that achieved?

Dr. Jerry Smith: Okay. As for cost savings, because the government isn't always willing to share dollars and cents and data with us, there were six children's programs all over the province that were—after a suggestion for a number of years by the Ontario Dental Association to streamline these into one program, it's now called the new Healthy Smiles Ontario program. Eligibility requirements have decreased, and over the last little while, over 100,000 new patients were eligible to receive treatment under these programs.

The problem is that there is an increase in the number of patients, but there has been no new funding envelope for any of these dental programs for a decade. Dentist reimbursement out of these programs, as I already mentioned, used to be at 90% of fees, much like it is with the federal government when dealing with First Nation populations and the dental plan that covers those individuals. We are now at less than 44% of current fees. With office overheads, as I mentioned, of around 70%, every time a patient comes into my practice, I pay to treat those patients.

What's even worse is that when a patient cannot find a dentist to treat them in a timely manner, they end up in hospital emergency rooms. In 2015, there were 30,000 visits to hospital emergency rooms for dental problems. Each visit cost the taxpayers \$513 for nothing. The patient receives an analgesic and an antibiotic and is sent on his way. This does not address the cause of the dental problem; this is not definitive treatment. I can give you an example: Recently, I saw a patient at my office who was in the ER here in Thunder Bay three times: \$1,500 of taxpayers' money for nothing. I got paid \$39 to remove the tooth—definitive treatment. My dental assistant makes \$24 an hour. I have front-desk staff. I have heat and hydro to pay for, taxes, equipment and a surgical setup. I didn't want to even do the calculation of what it cost me to do that.

I have been accepting my social responsibility for 28 years. Dentists across the province have done this unequivocally. We do not turn away people in pain. We do this, and we believe that there should be a partnership with the government to sit down and come to a meaningful solution. We're not asking to be compensated at 100%. We would like our overhead costs covered, and we will ensure that every patient in every community has access to timely, definitive dental treatment, especially the most vulnerable in our society.

Mr. Peter Z. Milczyn: Thank you. You're a former president of the ODA, so you have a good provincial perspective. Is there a difference in different regions of the province in the ability of people to access services under the Healthy Smiles program?

Dr. Jerry Smith: Yes. What you're finding is that certain regions of the province, as you know, are harder hit than others. I can give you an example of south-western Ontario, in the Windsor area. The number of people covered by all government-sponsored dental programs has increased dramatically. Dentists are finding it difficult to accommodate more and more of that patient population within their practices. People have to wait much longer to receive timely care. I know that with some of our dental specialists who deal with the developmentally challenged, dental anesthetists for example, there are some of them who have 60% to 70% of their practice covered by government-sponsored dental programs. They are finding it more and more difficult to provide treatment under the terms of the programs.

Mr. Peter Z. Milczyn: Now, a final question: You mentioned fluoridation. I was wondering two things. First

of all, what percentage of Ontarians actually have their drinking water fluoridated? And is there an impact from the larger number of people who drink bottled water? Does that have an impact on their exposure to fluoridated water and the health of their teeth?

Dr. Jerry Smith: Some 79% of Ontarians have access to fluoridated drinking water. Most bottled water does not contain any appreciable amounts of fluoride. As Minister Hoskins is very well aware—he has read the research and the data—there are 90 national and international health organizations that defend the benefits of community water fluoridation. Community water fluoridation benefits everybody in a community, from the very young to the very old. I see the examples here in Thunder Bay. We are a non-fluoridated community and have been for as long as I can remember. If a patient in their thirties or forties comes into my office and they don't have any fillings or dental decay, my question is: Where did you grow up? I'll tell you, probably about 99 times out of 100, it was in a fluoridated community, and not in the city of Thunder Bay.

Mr. Peter Z. Milczyn: Thank you very much, Doctor.

The Chair (Ms. Soo Wong): Dr. Smith and Ms. MacKenzie, thank you for your presentation. If you have any written submission, it will be due on February 2 at 5 p.m. to the Clerk's office. Thank you very much for your presentation. We look forward to it if there's any written submission.

Dr. Jerry Smith: Thank you very much.

POVERTY FREE THUNDER BAY

The Chair (Ms. Soo Wong): The next group coming before us is Poverty Free Thunder Bay. I believe we have Erin Bottle, Ann McGuire and Virginia Necan. Are they here? Can you come on up, please. You need to come forward. Your colleague can come as well.

Good morning and welcome. As you've probably heard, you have 10 minutes for your presentation followed by five minutes of questioning. This round of questions will be coming from the official opposition. When you begin, can you please identify yourself for the purposes of Hansard. Welcome, and you may begin any time.

Ms. Erin Bottle: *Remarks in Ojibway.*

My name is Erin Bottle.

Ms. Ann McGuire: My name is Ann McGuire.

Ms. Virginia Necan: I'm Virginia Necan.

Ms. Ann McGuire: I guess I'll go with the introduction. We didn't have really time to get ready for this. I'm Ann McGuire and I work here at Shelter House Thunder Bay and I'm with Poverty Free Thunder Bay.

I will just explain a little bit about Poverty Free Thunder Bay. We're an advocacy coalition working for change at the local, provincial and national level to eliminate poverty and its impact on our community. Our membership is broad and diverse, including agencies in the health and community sectors, faith groups, labour and academics, concerned citizens and low-income

individuals and families. As a community builder, we continue to focus our efforts to engage, educate and act as a catalyst for systematic change and social inclusion.

Recently I participated in the Point in Time survey and the 20,000 Homes Campaign.

For housing, the things that I want to mention are: Having safe, affordable, accessible and appropriate housing is the first step to improving people's health and to providing a life of dignity and stability. While Thunder Bay is considered one of the most affordable places to live if you are a homeowner, the same is not true for renters. Due to a vacancy rate of 2.3%, the average price of a rental unit for a bachelor apartment in Thunder Bay is \$605. This amount exceeds the maximum shelter allowance of \$376 for a single person on Ontario Works by \$229. This gap in the maximum shelter has grown and continues to grow as a single recipient on Ontario Works has not received an increase in their shelter benefit.

With the high cost of rent and low vacancy rates, Thunder Bay is experiencing an increase in shelter usage and social housing wait-lists. In 2013, the homeless shelter average occupancy rate was 123% and the number of active households on the social housing wait-list was 1,135 with an average wait time of eight months. The cost of relying on emergency services to provide housing is a very expensive option with the average monthly cost of \$1,932 a month for a shelter bed, \$4,333 for provincial jail or \$10,900 for a hospital bed. It would be cheaper and more dignified to give people housing with supports rather than to have them living in temporary housing and accessing supports through emergency room visits.

1010

Our recommendations are to:

- create housing that includes both physical units and additional money for supports;

- increase money for street outreach advocates/workers so that they can provide supports and navigation to homeless individuals in finding appropriate, accessible, affordable housing, and accessing health care and employment skills such as resumé building, training and job searching;

- restore or create a new Home Repairs Benefit for ODSP and OW recipients who are homeowners so that they can continue to live in affordable, appropriate housing.

Thank you.

The Chair (Ms. Soo Wong): Are there any other speakers? Because you have lots of time. You've got another six minutes.

Ms. Virginia Necan: Okay, I'll go next. Mine is on raising the rates for OW and ODSP recipients.

My experience is—I had something written up, but I left it. But I was watching the news last night and, at that NAN conference that's going on, Alvin Fiddler mentioned that a 10-year-old from a reserve up north committed suicide. I was like, "Wow. Ten years old. How does a kid even live life and understand it?"

But it got me thinking. When I was growing up, I was in extreme poverty too, and I can understand how that kid

felt. Just to have your own bedroom where you can stick your posters on the wall—you know, what teenagers do. It does get to you. It gets in your mind. What's the point of living if this is all there is and all you see is poverty and addictions and problems? They say that Canada is kind of a rich country and you have all these freedoms, but why are you killing yourselves?

Something has got to be raised: either the Ontario Works or else raise the minimum wage to \$15. Something has got to happen, something has got to change, because the old way is not working. We're all still sitting here talking about the same things, going in a circle, while nobody is stepping out there and really challenging everything. Thank you.

The Chair (Ms. Soo Wong): Ms. Bottle, would you like to say anything before I turn to Mr. Barrett for the questioning? You have a couple of minutes.

Ms. Erin Bottle: Okay. I guess that I just want to comment on the presentations that were made with the ODSP/OW rates. When you have a family that has experienced poverty and they go through this system, not many of the families receive adequate supports within the structure to establish, for example, ID replacement, and a lot of the employment places require certain SIN cards. When you don't have that support within the structure of the system, it definitely puts a damper on the opportunities that are provided to our people who are on low-income and ODSP housing, not to mention the human rights issue when it comes to the fire codes with ODSP recipients within a municipal structure, that they are to exit a building at a certain time. If they can't exit a building at a certain time, it also affects their housing eligibility. So it is a kind of two-tiered system for the disabled people on ODSP.

In terms of income security and housing, a lot of the mothers and the single fathers within the structure also need extra support systems when it comes to accessibility rights of certain benefits. As it stands, off-reserve Indians do not qualify for certain federal benefits under the Department of Indian Affairs.

With dental work, our children go through jurisdictional limbo within the structure of the ODSP program, where some of our people have to send our children up north to our communities so that they can access dental services.

In terms of income security, and security itself, the street workers also can provide the additional support services, as I understand that the homeless count had been the first of its kind in Canada.

I think that there's also a social responsibility within the structure for the trained social services workers to provide extended support in terms of what federal programs and what provincial programs are qualified to us.

Then within the structure of the system, when a family is cut off of welfare, they have a 30-day appeal process. Not a lot of our people are explained the appeal process, so it becomes a very big impact on the families and the communities that have to go through the appeal system. When they go through the appeal system, the monies that

they do get appealed through Kinna-aweya Legal Clinic and legal services—that money is also banked as an overpayment.

When you have a family that's cut off for certain things without an explanation or without a paper trail, it also affects them in the sense that—the structure itself puts them in poverty when it comes to the appeal process of the OW structure.

Within that structure, I think there is a lot of re-vamping that needs to be done. Also, looking at how the ODSP/OW workers can help the homelessness initiative and the anti-poverty strategies, we need to have a definite think-tank session on how we can fix those flaws within the system and the structure.

In terms of street patrol and street outreach workers, we have, I'd say, about 84 visible aboriginal and non-aboriginal people that are on the street. Some of them have been on the street for about five to six years. When they are out there like that, we don't have agencies that are mandated to go out to reach out to these workers or reach out to these human beings who, respectfully, need to live in dignity.

Within the structure, I think our people need to also look at funding street outreach so that we can also reach those who are in severe poverty who are out there.

Meegwetich.

The Chair (Ms. Soo Wong): Thank you very much for your comments. I'm going to turn to Mr. Barrett for this round of questioning. Mr. Barrett?

Mr. Toby Barrett: Thank you very much. I don't know where to start. You've touched on so many different problems.

I'm kind of asking myself—we have government for a reason, and government should be planning and dealing with a lot of these issues and sorting it out, issues that have been going on for many, many years.

You talk about kind of a disconnect between what the federal government is doing and what the provincial government is doing. Even within the provincial government, within the Ministry of Community and Social Services, there are something like 800 rules and regulations and, of course, the forms to fill out and the paperwork. For a lot of that, we get assistance from caseworkers. I've talked to caseworkers who have indicated to me that they spend about 70% of their time filling out all the forms and dealing with all the complex issues that you're talking about, rather than directly helping people.

That's a message to government. We always seem to end up with more rules every year instead of fewer rules and getting right to the basics—like you say, getting right out on the street.

I live down in the rural south, in farm country. We don't have any cities or large towns, but of course, poverty is down there as well. I'm down next to Six Nations, the Caledonia area. The street outreach program has to be so important. Being from the south, although over the years, I've spent a lot of time up here, I recall one night 40 years ago, late at night—I was much younger then—there was a guy passed out in the snow. We just happened to see him. We were driving by. We

got him in the back. I think we were drunk too, I have to admit, being younger. We got him somewhere.

But that was just kind of a volunteer thing. I know that in your earlier presentation, you talked about faith groups and labour and different groups coming together. How involved are volunteers in helping out—pick a problem: alcohol, for example.

1020

Ms. Erin Bottle: For example, before the city established the Guardian Angels program, I had volunteered for two years as a peacekeeper. I was there on the night of the Idle No More movement in the city. It concerned me that there were a lot of our young people under 40 that were on the street. These are individuals that are coming from their communities that may have disadvantages within the legal framework of the judicial process. It concerned me that there was an X-number amount of violence happening on our people. I had to go do street patrol. I had to police the police and I had to help drag our people from the snowbanks and to call the SOS. These are things that I sat with with city council. I tried to establish a peace patrol here, but because of the liabilities of the city, we weren't able to do that as a people. I reminded the crown that when we made these peace treaties, we never, ever relinquished the right to protect our people. We have a duty to protect our people, regardless of provincial or municipal liability laws.

Mr. Toby Barrett: "Do it yourself." I mentioned to this committee yesterday or the day before that down my way in the town of Dunnville on the Grand River, all of us—well, 240 of us from the town; it's a small town—signed up for a course on poverty and how to better understand those who are less fortunate: the language, the way of thinking, the culture. It was farmers, and there were other professionals that wanted to upgrade their skills. It was a program called Bridges Out of Poverty. We filled our community centre. These were volunteers: faith groups, various religious groups. We found that quite valuable. A lot of people do want to help, but they don't know how to do it. Maybe they don't move in those circles. It's a bridge, I guess.

The Chair (Ms. Soo Wong): Mr. Barrett, I'm going to need to stop you here.

Mr. Toby Barrett: I just wanted to leave that with you. It's a really good program.

The Chair (Ms. Soo Wong): Ladies, thank you for your presentation. You still have some time to submit anything in writing to the committee. You have until February 2 at 5 p.m. to submit your written submission to the Clerk. I know that you shared your story with us. Please do come forward with any more additional materials so that the committee can make a recommendation to the Minister of Finance. Thank you, ladies, and thank you for being here again.

NORTHWESTERN ONTARIO ASSOCIATED
CHAMBERS OF COMMERCE

The Chair (Ms. Soo Wong): The next group coming before us is the Northwestern Ontario Associated

Chambers of Commerce. I believe it's Mr. Nathan Lawrence.

Good morning. Welcome, Mr. Lawrence. You have 10 minutes for your presentation, followed by five minutes of questioning. I believe the Clerk is coming around with your written submission. This round of questioning will be coming from the official third party. You may begin any time. Please identify yourself for the purpose of Hansard when you begin.

Mr. Nathan Lawrence: Wonderful. Thank you very much. My name is Nathan Lawrence. I'm the president of the Northwestern Ontario Associated Chambers of Commerce. Through my comments today, you'll probably hear me refer to it as NOACC in short form, just for clarification.

The Northwestern Ontario Associated Chambers of Commerce is the voice of business, representing the interests of nearly 2,000 members from Kenora and Rainy River in the west to Marathon and Greenstone in the east.

We appreciate this opportunity to outline our concerns on a number of different topics. We'd also like to thank the government for implementing a spring bear hunt pilot program that includes non-resident hunters. While this decision may not be well understood in southern parts of the province, we know that this program represents a significant opportunity for regional tourist outfitters across northwestern Ontario.

We also appreciate the government's commitment to an annual investment of \$120 million per year for the Northern Industrial Electricity Rate Program to help industrial operators with the high cost of energy. We ask that this program continue to be expanded to include new mining, forestry and manufacturing operations as they develop across the northwest.

Many of these new developments may also require additional electricity transmission and/or generation capacity. Current energy policies require that customers pay for the entire cost of new transmission lines or the upgrade to an existing transmission line if they are the only customer ready to connect. This makes it harder for prospective mines to raise sufficient capital to not only pay to construct the mine but also to connect it to the grid over hundreds of kilometres.

NOACC firmly believes that energy infrastructure of this kind should be built and paid for by the province through needs analysis systems and should not be the responsibility of the user.

The province also needs to address the skills gap. Two major trends are creating skills shortages. The first is the aging population and the departure of baby boomers from the workforce. The Conference Board of Canada's long-term economic outlook projects that by 2025 one in five Canadians will be 65 years or older. The second trend is that jobs are becoming increasingly specialized, which in turn demands more educated and skilled workers.

The evidence is clear that the rising shortfall of skilled workers and the growing mismatch between skills required and those available has evolved into a skills

crisis affecting both Ontario and the Canadian economy. Funding is vitally important to address the training and skills needs of Ontarians in all sectors.

We also remind the province of the urgent need to engage aboriginal communities in skills training programs and opportunities to ensure that they take full advantage of the benefits of economic growth. There is much work to be done to provide the training and skills that will enable and engage aboriginal peoples in our growing economy.

Despite the challenges in the mining sector, we are confident that our region presents an exceptional opportunity for significant fiscal growth for the entire province. Northwestern Ontario produced 19% of Canada's annual gold production in 2015, and our region hosts Canada's only primary palladium mine. Four new gold mines are forecasted to be in production within the next four years.

We encourage the province to continue to move forward in the planning and development of the Ring of Fire, which has been valued at nearly \$85 billion. This development is vital to the Ontario economy and we must ensure that the anticipated jobs, taxes and other economic benefits are not lost. We must be ready to go when the global markets turn around.

Investments must be made in the transportation, energy and technology infrastructure that will be needed to bring these projects to fruition. We recognize that the development of this infrastructure will require a substantial investment by the province; however, we feel that the return on the investment through \$5.75 billion in tax revenue will more than offset these upfront costs in the long term.

Mining is not the only opportunity for economic growth through our natural resources. The forestry industry is on the rebound and will continue to grow and prosper with the support of the provincial government. The all-in cost of fibre in the province of Ontario is among the highest in the world, which makes it difficult for the provincial forestry sector to remain competitive in a globalized economy.

The sustainable use of a secure and affordable supply of renewable wood fibre results in jobs and a wide range of economic benefits. Whether you are an existing mill, a new entrant, a big international company or a small, family-run company, in order to keep people working and put Ontario's wood to work, the forest product sector needs consistent access to affordable, renewable fibre. We encourage the province to permanently establish through regulation a minimum 26 million cubic metres per year of accessible fibre for industrial use. Furthermore, we encourage the government to conduct socio-economic impact assessments on all legislation, regulation and policies that could reduce the provincial fibre supply and/or reduce access to the land base.

The Liberal government has spent billions to improve the Trans-Canada Highway across the northwest, adding passing lanes, increasing road shoulders, upgrading bridges and roadbeds as well as the ongoing expansion to the four-lane divided highway between Thunder Bay and

Nipigon. These investments are much needed and appreciated. Unfortunately, events at the Nipigon bridge in recent weeks have shown the fragility of the vital transportation link as Canada's road shipping network was halted for 18 hours without an alternative Canadian route.

1030

Closure to the Trans-Canada Highway is a regular occurrence in northwestern Ontario due to traffic accidents, severe weather, road maintenance and other issues. Each closure of the highway has a negative impact on our economy. We encourage the government to develop a long-term, fully funded plan for highway investment that addresses the constant closure of this vital transportation link and ensures that alternative routes are available to keep goods and services moving.

Thank you very much for your time and your attention this morning.

The Chair (Ms. Soo Wong): Thank you very much. I'm going to turn to Ms. Fife to begin this round of questioning.

Ms. Catherine Fife: Thank you very much for the presentation, Nathan. I appreciate the fact that you started off the conversation, on behalf of your members, around energy costs. This is a consistent theme across the province. As you know, the Liberal government has decided to sell off and privatize 60% of Hydro One. We've raised this as a concern because we are seeing in past practices and history that the cost of energy will only go up.

Do you want to talk about how important the northern industrial electricity rate is to your members, and also the importance of a needs-analysis system around the downloading of those costs for energy prices to the users? What is the full impact of the energy policy right now in the province of Ontario on northern Ontario?

Mr. Nathan Lawrence: The reality is there are a lot of businesses in the northwest of Ontario, both small and large—and prospective businesses—that look to invest in industry like mining in northwestern Ontario and that are heavily impacted—or their decisions to expand or invest in different areas are heavily impacted—by the cost of electricity. The cost of electricity makes up, especially for resource-based companies, a significant cost to their bottom line, impacting whether or not they choose to invest in or expand in our region.

Ms. Catherine Fife: Or stay, right?

Mr. Nathan Lawrence: Or stay, for that matter. So it is a significant concern for the regional chambers. It's one that our members have pushed us for time and time again.

With respect to looking at future investment, it's always important to make sure that we're making smart investments, that we're investing for the needs today, but also planning for the future, not overspending on those investments, but making sure that they are the right and smart investments, and making sure that when we're looking at how we're investing in those, especially for northern players, when we're downloading some of those costs to mines, for instance, when expanding or upgrading transmission lines to meet their needs, we have

to look at how those transmission lines can benefit the north in other ways through connecting other northern communities and through the future benefits that can come or the future businesses that will be allowed to develop as a result of that investment. By downloading those expenses to our businesses, we can sometimes, more often than not, force them to make a decision not to invest in our region.

Ms. Catherine Fife: So it's a game-changer. Energy prices are a game-changer?

Mr. Nathan Lawrence: Yes, it can be.

Ms. Catherine Fife: We have heard that it's a deterrent for future investment and the need for stability—just to level the playing field, because, as I said, that's the game-changer.

On the Ring of Fire, for us it seems like it just has been such a stall process. I was in the House in 2007 when the Ring of Fire was first announced. We've had many promises along the way around potential infrastructure investment. We heard this morning how important the physical infrastructure—that east-west road—is for linkages. We agree with you that the tax revenue that would come, down the line at least, is important.

Can you talk about the importance of the government stepping up on the infrastructure piece to ensure that the Ring of Fire actually becomes a reality?

Mr. Nathan Lawrence: I think that, especially in this part of the region, most of us can attest to the significance of not only the Ring of Fire but also all of the other mining projects that are happening out in the region. When we look at the current global markets right now, we can appreciate the fact that things have turned, which can delay investment from businesses into resource-based projects. However, that being said, there is a significant component of our northern region that is inaccessible through transportation, through electricity and other means of infrastructure.

When the global markets do turn—they always do—if we wait until that point to start talking about infrastructure spending, we're too late to the table. We need to be in a position to be ready with that infrastructure, have a plan in place and know what direction we're going so that when things start to turn around and we're ready for those companies to come and make those significant investments in northwestern Ontario, we have the infrastructure that they require to start accessing those sites, to start construction and to start pulling minerals out of the ground.

The Chair (Ms. Soo Wong): Mr. Lawrence, I'm going to stop you here. Thank you for your presentation, as well as your written submission.

Mr. Nathan Lawrence: Thank you very much for your time.

THUNDER BAY
CHAMBER OF COMMERCE

The Chair (Ms. Soo Wong): The next group before us is the Thunder Bay Chamber of Commerce. I believe it's Charla Robinson, the president, coming before us.

Good morning, Ms. Robinson. Welcome. I believe there is a written submission from your organization, so the Clerk is coming around with your written submission. You have 10 minutes for your presentation, followed by five minutes of questioning. In this round, the questioning will be coming from the government side. When you begin, could you please identify yourself for the purposes of Hansard. Welcome.

Ms. Charla Robinson: Wonderful, thank you. I'm Charla Robinson, president of the Thunder Bay Chamber of Commerce. I'm happy to be here again this year to speak to you about some of the issues of the chamber of commerce in Thunder Bay. We are also a member of NOACC, so some of our issues will align with what you've just heard from NOACC. I apologize for any repetition.

The Thunder Bay Chamber of Commerce is the "voice of business," representing the interests of nearly 1,000 business members and their over 14,000 employees, and it comprises all sectors of the local economy. We certainly appreciate the opportunity to be here today.

I want to first take the opportunity to acknowledge and thank the Ontario government for adopting one of our recommendations made in the 2015 presentation by adopting a 30-day payment process for government departments. This step is a significant support to small businesses when they provide products and services to the Ontario government. As we know, they were having some challenges with cash flow. So we certainly thank the government for listening and making that change.

Businesses are increasingly being asked to absorb new and higher input costs that were unforeseen just a few years ago. We are concerned that these new costs—carbon pricing and the Ontario Retirement Pension Plan, to name just two examples—will put our businesses at a disadvantage relative to other national and international jurisdictions. We encourage the government to tread carefully when developing new programs, legislation or regulations that will further increase costs on the business community.

Here in northern Ontario, we're particularly concerned with the increase to aviation fuel taxes of 1% per year over four years, which started in 2014. So we're halfway into the four-year implementation. Aviation fuel costs in Thunder Bay are already five cents higher than Toronto, and up to 10 cents higher in northern remote communities. Each one-cent increase in the aviation fuel tax adds two cents per pound for cargo deliveries. Think about that. These increasing costs further add to the economic and health challenges of our Far North First Nation communities by making fresh produce and dairy options more and more expensive.

Increased costs result in increased airfares, leading to increased isolation. In our region, we are very aware of the high financial and social costs of isolation accruing to our friends and neighbours in Ontario's most remote communities. Previous public commitments have been made by this government to implement an exemption for some communities, recognizing these challenges, and we

urge the government to immediately implement an exemption for the entire northwest region. It's been two years; it's time.

The province needs to address the skills gap. The hiring challenge is already being felt across many sectors, from low-skilled positions in hospitality and retail to highly skilled positions in professional services and trades. We believe that the Ontario apprenticeship system is in need of some improvements. The current journeyman-to-apprentice ratios are too high in many trades, especially for small communities. Furthermore, tax credits are not enough to encourage employers with limited funds to make the significant financial and time investment involved in training an apprentice. Funding and flexibility are vitally important to address our training and skills needs. It's also imperative for the province to engage aboriginal communities in skills training programs and opportunities to ensure they can take full advantage of economic growth.

1040

Despite the continuing challenges in the mining sector, we are confident that our region presents an exceptional opportunity for significant fiscal growth for the entire province. Northwestern Ontario is home to hundreds of active mining projects, some of which you've heard mentioned by NOACC, and they represent billions in mineral value and will have a significant impact on the economy of the northwest and the province as a whole.

We believe strategic investments must be made in transportation, energy and technology infrastructure that will be needed to make these projects happen. We know that the development of this infrastructure will require big investments by both the province and the government of Canada at the front end; however, we believe the return on investment in tax revenues and economic growth will more than offset these costs in the decades to come.

We also encourage the province to continue to move forward in the planning and development of the Ring of Fire, which has been valued at nearly \$85 billion. This development is vital to the Ontario economy and we must ensure that the anticipated jobs, taxes and other economic benefits are not lost. We agree with NOACC's comments that we want to be ready to go when the markets rebound. We know that this is a down time, but that's a great time to plan and get things ready.

We also want to raise the need for reliable and affordable energy. That continues to be a top priority for our members. The high cost of energy in Ontario is an impediment to business development across all sectors, but particularly in mining, forestry and manufacturing.

Ontario's forest products sector is a significant contributor to the economy, providing over 170,000 direct and indirect jobs in over 260 communities across the province, including Thunder Bay, and a total sales value of approximately \$11 billion. The Ontario government must ensure that provincial policy supports access to reliable and affordable industrial fibre to maintain existing investments and attract new investments.

We also encourage continued investment in the knowledge sector building on past public investment in Lakehead University, the Northern Ontario School of Medicine, the Thunder Bay Regional Research Institute and the Thunder Bay Regional Health Sciences Centre. The health sciences sector is not subject to the same cyclical booms and busts as our traditional resource economy and is a good leveller and diversification of our economy. According to the Council of Academic Hospitals of Ontario, every dollar invested in Ontario's health research agenda is multiplied by three in economic impact. Investments in health research really do make Ontario healthier, wealthier and smarter.

Thanks for listening and I'm open to any questions.

The Chair (Ms. Soo Wong): I'm going to turn to Ms. Albanese to start this round of questioning.

Mrs. Laura Albanese: Thank you very much for your presentation. You touched upon a lot of subjects and issues that are important to you. It's hard for me to see where to start.

I guess I'll start with acknowledging what you said about the aviation fuel taxes and the fact that a public commitment has been made for exemption in some communities. I was aware of that, so I will follow up in that regard.

I wanted to ask you: In regard to skills and training, and addressing the skills gap, you said, "Funding and flexibility are vitally important to address our training and skills needs." Can you elaborate for a second on that, especially on the flexibility? What's needed?

Ms. Charla Robinson: What we find in the skills training piece, particularly when it comes to things like apprenticeships, is there's not a lot of flexibility. The rules are made based on what is required in larger jurisdictions. For example, if you're looking to get an apprentice in northern Ontario, in a small community like Nipigon, an hour away from us, it's really hard to meet the demands, to meet the requirements.

First of all, there are ratios in place. You can have a one-to-one to train, and then if you want to train a second apprentice, you sometimes need to have up to three more journeypersons in order to just train one more apprentice. Well, if you're a small business, which is probably owner-operator, you don't have three more journeypersons, and you certainly can't afford to pay three more journeypersons. You're only able to train that one person whereas, really, we think in a small-community environment there should be an exception made so that you can continue to train, because otherwise, you're just exacerbating the problem. You're not actually training to address the shortage. You're basically only able to train enough to replace the one who's on their way out the door for retirement, that sort of thing.

Flexibility in that ratio piece would be huge, but also flexibility in funding, things like the costs for apprentices to go to training programs. They're not able to get the training they need in their community, so there are a lot of extra costs involved. They're maintaining their home at home. This isn't like going to a normal college course,

when you're gone for eight months and you have one place to take care of. You're maintaining your home and perhaps your family in your home community, but then you also have to go to another community and live there, and pay to live there, and have school issues and costs, and potentially travel back and forth because you need to be home for certain family requirements. It's a huge expense. We need some flexibility that addresses those needs.

Mrs. Laura Albanese: We know the importance of the mining development, about moving forward with the Ring of Fire, and I know there has been some news in the last few days in regard to that. Our government's commitment to that remains stable.

In regard to energy costs, you were not specific, but you said that, in a way, you agreed with the presentation that was made just before yours. That would be for the government to continue to invest the \$120 million per year in the Northern Industrial Electricity Rate Program. Also, I believe that the previous presenter asked for the program to be expanded to include new mining, forestry and manufacturing operations. Is that correct?

Ms. Charla Robinson: Yes, correct. It's our understanding that the NIER Program is full; it's at capacity. So there is no opportunity for new mines, forestry companies, etc. to apply, because the money is already gone. While we appreciate that the program is now permanent, we also need to make sure that it continues to grow as needed to address the issue, or we're going to just continue to have the same challenge. If you've got a new large energy user coming forward, and they're saying, "Well, I can't get any support"—

Mrs. Laura Albanese: Any relief, yes.

Ms. Charla Robinson: —it's going to impact their ability to actually get going.

Mrs. Laura Albanese: Okay. Well, thank you very much. Thank you for the work you're doing.

The Chair (Ms. Soo Wong): Thank you, Ms. Robinson. Also, thank you for your written submission.

Ms. Charla Robinson: Thank you.

RESOLUTE FOREST PRODUCTS

The Chair (Ms. Soo Wong): The next group coming forward is Resolute Forest Products: Mr. Valley and Mr. Watson. Good morning, and welcome. I believe the Clerk is coming around with your written submission, sir.

As you probably heard, you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from the official opposition party. You may begin any time. When you begin, can you please identify yourself for the purpose of Hansard. Thank you.

Mr. John Valley: Thanks very much, to the Chair and to the committee members. May I first thank you for the opportunity to appear before the committee, number one, and number two, for you making the effort to be in the area where the truly interested parties have an opportunity to speak.

My name is John Valley. I serve as a special adviser to the president and CEO of Resolute Forest Products. I'm accompanied today by Steve Watson, who is Resolute's manager of forest resources for Ontario.

A little bit about Resolute generally: We're a global leader in forest products. On page 1, you can follow that. We produce a range of products: newsprint, specialty papers, tissue—which, by the way, is the most rapidly growing segment of paper products, hygiene products—market pulp and wood products.

We've got over 40 facilities in Canada, principally Ontario and Quebec, the US and South Korea.

In addition to producing forest products, we also generate power. In essence, here in the great northwest, we are probably a baseload generator, with 60 megawatts of installed capacity here in Thunder Bay.

We're the largest newsprint producer in the world, with 2.6 million tonnes of capacity.

1050

More specifically about Ontario generally, and the northwest in particular, we employ over 1,100 people in direct employment in our manufacturing facilities, sawmills, pulp and paper, and power generation—wood pellets to help with the switch away from coal.

We also have the last remaining 100% recycled newsprint mill, located in beautiful downtown Thorold.

In addition to the direct manufacturing jobs, we have what I call directly dependent jobs—not exotic multipliers but truly directly dependent jobs—again well over 1,000 of those, primarily in woodlands and forestry operations, harvesting and hauling activities, and other contracted activities such as yard services. I should point out that many of those are First Nation employment opportunities and economic development opportunities.

In the last several years in this province we have spent \$200 million. We basically have \$65 million into a green energy project here in Thunder Bay that I mentioned earlier. We expanded the sawmill here in Thunder Bay, which has a joint venture context with the Fort William First Nation, and two new sawmills, essentially: one that was restarted, refurbished and upgraded in Ignace, and a brand new random-length sawmill in Atikokan.

We manage six million acres of land here in Ontario. Believe me, that is the heart and soul of our business.

When you look at the resource sector, these are big businesses but they are relatively simple constructs. If you look at the smokestack sector, whether it's steel, mining or forest products, you can distill it back to three or four primary key drivers. For forest products, those are the four Fs: fibre, fuel, folks and freight.

Fibre: the delivered costs of the trees needed to run our sawmills and our pulp and paper mills and the pellet plant here in Thunder Bay;

Fuel: purchased energy in all forms;

Folks: labour costs per unit produced; and

Freight: Because we sell our products freight-absorbed, it's the cost of getting our product out to market in finished-goods form, and, frankly, the cost of getting our raw materials in.

Provincial government policies are where the physical and the fiscal meet. The budget process for us is really the crucible of that coming together. Having all four of those Fs is critical to having a healthy and sustainable industry.

Against that background, let me get specific.

Fibre: Let me start by saying that delivered wood costs, when measured against a realistic value of the Canadian dollar—don't measure it against 68 cents, where we've fallen very rapidly, but get something that's a representative value—are high.

The things that influence that: The trees are smaller; the ground conditions are more difficult; the climate, as you can tell coming up here, is far more harsh; and the distances over which we have to haul them are far greater. Much as we would like you to, you guys don't control terrain. You don't control tree size, climate—well, you're trying to control climate a bit. But transportation and roads are really the only areas where you can make a difference.

Being specific on the fibre side, three things:

The ability to get the trees from the woods to the mill is crucial. Road funding for forest roads must be maintained at at least current levels—and, frankly, when fiscal conditions allow, increase it. Premier Wynne's commitment to restore the roads program to \$60 million for fiscal 2015-16 and fiscal 2016-17 to support the building and maintaining of roads must be honoured.

Second, the demographic of the forest is a reality we have to cope with. Softwoods are crucial to our operation, but softwoods also come with a large coincident presence of hardwoods like poplar. These offer less commercial potential but we have to manage them. It's essential that the stumpage rate currently in effect for hardwoods, which partially recognizes this lower level of commercial opportunity, be maintained.

Third, the industry is capital-intensive and the investments that we make are long-term. The minimum economic life of an asset is 20 years; it's often decades longer. To maintain existing operations and to consider further and future investments, we must know that we have long-term, stable access to an adequate supply of fibre that these operations are going to need. Today, frankly, certain broader policy initiatives are raising concerns in that regard.

Second, regarding fuel: We're an energy-intense industry in any place where pulp and newsprint are produced, and particularly in a harsh climate like northern Ontario. This industry is a leader in terms of energy efficiency, conservation, and reduction in the production of greenhouse-gas-producing fuels like coal, heavy oils and natural gas. Resolute hasn't burned a pound of coal in northern Ontario since 2001. We've reduced water use, thereby reducing the need to heat water, which was a key consumer of industry. We're a leader in the use of renewable futures: biomass, waste liquors from our chemical pulp process, and heat recovery from the refiners used in mechanical pulping. Eighty per cent of our fuel base is renewable.

We are, frankly—I'm using 1990 and 2000 as the reference years that Ontario is using—already at or ahead of the greenhouse gas targets for 2020 and 2030, and we are well on our way to meeting the 2050 targets. It's going to be critical, in the greenhouse gas debate, that we give credit for the performance that has already been achieved to this industry.

A lot of people have talked about electricity today, and there has been a lot of criticism of Ontario's energy program. I will say that one of the areas where you've gotten it right is with the energy policies that apply in northern Ontario. Between the suite of conservation programs in effect and the NIER program, you've got a very good, effective, at-the-plug price for electricity, but you've got to maintain it.

Five quick recommendations: You've heard to keep NIERP in place. Allow it to expand to accommodate growth. Don't put a cap on it.

Second, the conservation programs that are in effect, the demand-response programs, things that encourage load-shifting and peak shaving: Again, keep those in place, and frankly, restore a little bit of the integrity that has eroded. We're major conservers. We can move power around. We can put it on the back shifts, produce on the weekends, and store the pulp. We're every bit as valuable as a generator. Treat those conservation efforts as though we were a generator, particularly when you call us and say, "We need relief right away." We can give you 50 megawatts or 60 megawatts just relieving pressure on the refiners. Pay us for that, and every megawatt that you shed is like 1.15 megawatts that is generated, because you have the avoided inefficiency of generators.

Consider doing another round of the surplus energy programs. Those were very good programs, but expand the criteria to accommodate any significant capital project, as opposed to some major expansion and new use.

Since much of the hauling of raw materials into a mill site passes over private roads in the main, give us credit for the portion of that haul that occurs over those private roads. It doesn't need to be absolute, but you can come up with a good enough system that says that 50% of the haul is over private roads. Give us a fuel tax credit equivalent to what the agricultural communities are getting.

I've got some other comments there, folks. I would just say that we enjoy a very constructive and progressive relationship with the major union in this industry, Unifor. We've learned to work very effectively together.

Freight: We need you to be encouraging the railways and the haulers to continue to give us reasonable, consistently high levels of service and a high level of both availability of railcars and trucks to get our product out. That is a more significant issue than you may realize.

One last comment, and you can read some others that are in the handout: I talked about the \$200 million that we've put into capital expenditures in this province. About half of that is in the sawmilling business. A great deal of the economic benefits have accrued to First Nation interests. That is both socially responsible and,

quite frankly, a reality in terms of the demographic of the north. We've made some real efforts to launch some First Nation interests into new businesses, but to do that it's going to require some training for them. I would say, to allow those economic development opportunities to be fully realized, there may be a need for you to consider some focused job training requirements that may, in turn, require some focused incremental funding.

1100

You've heard enough from us. You can read the balance of our comments in there. I'd prefer to answer questions.

The Chair (Ms. Soo Wong): All right. Thank you very much, sir. I'm going to turn to Mr. Fedeli to begin this round of questioning.

Mr. Victor Fedeli: Thank you, John, for an excellent presentation. You talked about the four Fs. I would add a fifth F in there, and that's "fairness." I think this goes to your section on pages 9 and 10 that gets around to talking about the anti-SLAPP legislation commentary that we've had.

We fought a good fight. For those who aren't familiar with the anti-SLAPP legislation, this is legislation that is harmful—incredibly harmful—to the forestry sector. I know that Toby Barrett, the MPP here, and myself and our leader, Patrick Brown, stood up against the government. The members here in Thunder Bay who supported the anti-SLAPP legislation, the two members here, the Liberal members in Thunder Bay, voted in favour of this anti-SLAPP legislation, which will absolutely hurt the forestry sector. I want you to take a moment to talk about that.

Mr. John Valley: First of all, I didn't refer to SLAPP specifically on 9 and 10, but there are related issues that grow out of it. Let me first acknowledge that I think the Legislature has a difficult job in terms of finding balance. If I understood the driving force behind SLAPP—or the stated driving force—it was to provide rightful protection for small citizens' groups versus major developers. However, I think it would be heinous if, in fact, an outgrowth of that legislation is to result in the enabling and the encouraging of larger, more organized, virtually professional groups, who are basically engaged in organized institutional disinformation campaigns. Protecting the ability to express views and to make legitimate points versus the encouraging and enabling of slander, libel and intentional interference with commercial relations with our major customers can't be allowed to occur. With all due respect, I think that legislation is going to have to be monitored and perhaps revisited if you see abuses or misinterpretation by the courts.

Resolute has been under attack from certain activists—INGO groups—over the last couple of years. Our view is that we have been slandered and defamed, and our customers—the consumers of our products—have been threatened with consumer boycotts: Best Buy, CVS Pharmacies, Rite Aid, 3M, Procter and Gamble and Kimberly-Clark, to name but a few. Those aren't attacks against us; that's a bloody attack against Ontario. Ontario

has one of the strongest forest management regimes, if not the strongest, in the world. We meet or exceed—Mr. Watson can speak to this—every provision of the forest management requirements of Ontario. That's not an attack just on us; that's an attack on every industry that operates in the boreal.

You need to understand, Mr. Fedeli, that it may be something that sounds noble and sounds desirable, and a consumer boycott doesn't make any difference. We lost newsprint tonnage in a very competitive world. Newsprint demand in 2003 was 13 million tonnes. In 2013, it was 4.6 million. It's a harsh, competitive world out there. They forced the acceleration of the closure of a mill in Iroquois Falls.

Mr. Victor Fedeli: Absolutely. When this committee met last year, the mill in Fort Frances was being closed that very week. Only weeks before was the closure—

Mr. John Valley: It shortened the runway that Iroquois Falls had—not to say that it wasn't going to go at some point, but it shortened the runway.

Here in Thunder Bay, we've had to transfer orders for certain customers from Thunder Bay to Tennessee. I don't think it's the intent of that legislation or the tacit condoning of other activities, to have jobs transferred out of Ontario for good, hard-working—

Mr. Victor Fedeli: It may not be the intent, but it is the result. That's why I am proud that our leader, Patrick Brown, Toby Barrett, myself and others in our caucus stood up for the forestry sector and voted against that anti-SLAPP legislation.

The Chair (Ms. Soo Wong): Mr. Valley and Mr. Watson, thank you for being here and thank you for your written submission.

Mr. John Valley: Thanks very much.

ONTARIO FOREST INDUSTRIES ASSOCIATION

The Chair (Ms. Soo Wong): The next witness is the Ontario Forest Industries Association: Jamie Lim.

Good morning, Ms. Lim. Welcome to the finance committee. As you've probably heard, you have 10 minutes for your presentation, followed by five minutes of questioning. In this round, the questioning will begin with the third party. You may begin at any time. Please introduce yourself for the purposes of Hansard. Thank you.

Ms. Jamie Lim: Good morning, members of the standing committee. For 73 years, OFIA has represented forestry, ranging from large, multinational corporations to family-owned businesses that operate across the province.

While 2015 was a year that focused on the sharing economy, we hope that 2016 will be the year that focuses on the sectors that are the backbone of Ontario's foundational economy—sectors that create high-paying jobs in northern and rural Ontario, like Ontario's forest industry that supports 170,000 in over 260 communities.

We were pleased when Canada's Liberal Party acknowledged that "Canada's prosperity starts with its

middle class, and ... trade industries pay on average 50% higher wages than non-exporting industries...." Forestry is a trade industry that supports the middle class and relies heavily on exports to the US.

The good news is that the US is growing again after nearly a decade of stagnation, and it's expected to grow for the next five years. So the question is: Where will the US be getting its wood? We hope that the government will work with us to ensure the answer is Ontario.

Can you grow an economy and practise sustainability at the same time? You bet you can. The Ontario Chamber of Commerce recognized that foundational sectors like forestry would provide the main support for economic growth in the north and they also cautioned that capitalizing on the increasing demand for forestry products would require us to address competitiveness challenges. While our sector's recovery is real, the future growth of our sector relies on government supporting pragmatic public policy that philosophically supports and understands that you can grow an economy and practise sustainability at the same time.

For generations, OFIA's members like Resolute have been growing local economies by harvesting and growing trees. It is our sector's ability to innovate that has allowed us to survive two world wars, a great depression and, recently, a great recession.

So a lot of people wonder, when will Ontario harvest its last tree? Some things you can't answer; this one's easy: never. Trees grow and, in Canada, forests are regenerated after harvest. It is the law. Ontario has approximately 85 billion trees—I didn't count them lately, but approximately—covering two thirds of the province, and only 0.5% of Ontario's trees are harvested annually. For every tree harvested, three take root.

All forestry companies in Ontario must operate under the Crown Forest Sustainability Act, and under this rigorous environmental regulation, forests are regenerated after harvest and practices must maintain the long-term health of the forest. Again, it's the law.

Speaking about Ontario's sustainability campaign, Minister Mauro said, "We are going directly to" customers "to ensure that they understand and as clearly and unequivocally as we can, state the case that here in Ontario, we are sourcing, harvesting our fibre in a very, very sustainable way."

The Frontier Centre for Public Policy explained that "the real value of boreal forestry is far more than just sticks and chips; forestry also provides roads and development, infrastructure that facilitates other resource activities," and that if you limit forestry, you limit the development of communities and other industries.

1110

As citizens, we own Ontario's crown forests. As owners, we should be incredibly interested in the return on investment from the responsible use of our crown forests. By sustainably using less than 1% of our crown trees annually, we are able to generate real prosperity: a domestic economic impact of almost \$11 billion, total wages and salaries of almost \$2 billion, and \$3.89 billion

in domestic exports. That's real, and that is an awesome return on our crown forests.

But radical environmental groups—professional panic merchants—want the public and government to think that even using less than 1% of our crown forests is simply too much. These groups want you to think that harvesting destroys forests and causes deforestation. This just isn't true. Forestry does not cause deforestation. Deforestation is the result of harvesting and then not planting or not letting the forest naturally regenerate, because society has decided that the land is needed for an alternative use like farming or the creation of an urban centre. Toronto was once a forest.

Trees are a renewable crop. Like farmers, we harvest our crop, plant it and wait to harvest it again. OFIA's members are in the business of harvesting and planting trees. We are not in the business of destroying forests. That would be short-sighted.

Our members have increased harvesting. In 2010, we were harvesting about 10.5 million cubic metres; today, we're probably up to about 15 million cubic metres. But 10 years ago, we were sustainably harvesting over 20 million cubic metres annually.

Increased harvesting translates into increased direct jobs. In Ontario, the forest sector in recent years has created over 2,000 new Greenest Workforce jobs since 2011. That's huge. Our sector is putting Ontario's wood to work responsibly.

Can Ontario's forest industry be the greatest opportunity for the province? You bet. First, the world wants wood. This is finally our time. Today's architects and engineers are building tall wood buildings. Architectural publications are calling for "the beginning of the timber age," recognizing that "wood is taking over from steel and concrete as the architectural wonder material of the 21st century, with architects praising its sustainability, quality and speed of construction."

Projects such as Toronto's new Scarborough library and the St. Jacobs Farmers' Market are recent examples of this philosophy. Sourcing this 21st-century renewable building material from our own backyard is an opportunity for Ontario's foundational economy.

Second, trees are the answer. It's worth noting that the forest sector, as John Valley pointed out earlier, is Ontario's climate change champion. On the manufacturing side, investments by Ontario's forest sector have resulted in a 64% reduction in greenhouse gas emissions since 1990, which is significantly greater than the provincial target of 15%.

These two factors ensure that customers purchasing Ontario's forest products can do so knowing they are making a sound environmental choice and supporting local economies.

Are there challenges? There are two main challenges. The first is the threat to the industrial wood supply. We're witnessing provincial policy that precludes or challenges access to industrial fibre, shrinks Ontario's industrial wood basket and is passed without prior socio-economic impact analysis and/or pragmatic scientific due

diligence. The bottom line is that provincial policy that results in less wood equals less jobs, less investment, less innovation and less opportunity.

The second threat is the misinformation campaigns that target and harass customers of Canada's and Ontario's forest products. John Valley mentioned this earlier with *Resolute*; I'll let you read it on page 11. The bottom line is that we believe that if we continue working together with municipal and provincial governments, the facts will prevail.

In order to maximize the full potential of Ontario's renewable resource, create good manufacturing jobs and strengthen Ontario's foundational economy, OFIA is recommending action items in seven areas that are listed in the presentation.

In conclusion, as a pillar in Ontario's foundational economy, OFIA believes that the forest products sector can play a critical role in helping the province achieve its fiscal objectives through economic development and achieve its objective of a low-carbon economy by capitalizing on the benefits of having one of the best-managed working forests in the world.

Right now, the world wants wood. Smart consumers want renewable forest products. With long-term reliable access to affordable wood and confident customers, our forest products sector will continue to be the cornerstone of Ontario's foundational economy, supporting hard-working families, communities and First Nations. Together, we hope we can grow a stronger, greener Ontario.

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you, Ms. Lim. Ms. Fife has some questions for you.

Ms. Catherine Fife: Thank you very much. Jamie, as always, you're very passionate about this issue. You're a strong advocate for the sector and for the field. I think that we can all agree that Ontario cannot afford to lose any more good jobs. In fact, we need to grow good jobs, and that's very much connected to unlocking the potential of northern Ontario.

I have to say that last year's finance committee went to Fort Frances, and there was a very effective educational campaign there which talked about carbon sequestration and the cycle of carbon sequestration in the forestry industry. I have to say, it did leave a very lasting impression. So I do think, to your point, that education is key, and that's not just education of politicians, although I think that politicians of all stripes have a lot to learn. So I did want to make mention of that.

Ms. Jamie Lim: Thank you.

Ms. Catherine Fife: I did want to touch, though, on the impact of the Hornepayne closure, if you will. The Hornepayne mill employs 40% of the workforce, and the closure was just before Christmas. For us, the mill's cogeneration power plant needs the government to agree to buy more power in order for the mill to be viable, and yet the government has only agreed to weigh in on a fraction of that. Do you want to comment on the impact? Governments can support businesses, right? They can.

Ms. Jamie Lim: Unfortunately, the Hornepayne facility isn't an OFIA member, so I'm not intimately familiar with their situation.

Ms. Catherine Fife: But in general—

Ms. Jamie Lim: But in general, I think you'll acknowledge that any businesses that are going to invest in any jurisdiction are looking for certainty.

Ms. Catherine Fife: That's right.

Ms. Jamie Lim: You give any business certainty and they're going to invest and they're going to keep their doors open and they're going to keep people working. I was born and raised and continue to have a home in Timmins, Ontario, and I have a wonderful cottage in downtown Toronto. I get to live in the two incredible—greater Timmins area, greater Toronto area: I live in both, and I get to see everything that this province has to offer. I guess for me, I'm sad that we all don't get as excited, maybe, as I do, having lived in the north my whole life, about our natural resource sector, and especially a sector like forestry that's renewable. We forget that trees grow.

Ms. Catherine Fife: The certainty piece was the piece that I was trying to get to when I mentioned Homepayne, because in this upcoming budget, based on last year's 2014-15 budget, the Ministry of Natural Resources and Forestry falls under "Other Programs" under the budget. This year, it's set to see a \$1.4-billion reduction in funding in those other programs. So this is the place to make the case for the economic value of the north and for the forestry industry, because this cut will hurt communities across the north.

Ms. Jamie Lim: Exactly. One of the major programs that the province has put in place—Dalton McGuinty announced it at our annual general meeting in 2006, to a lot of applause—was the road program. This is an infrastructure program that builds public access roads. That funding, and it's not really funding because it's public infrastructure, if it was to cease—I made the comment in my presentation that the roads that we use, build and maintain aren't just for our sector. They're for all natural resource sectors, and they create the development and the economic development that support our communities, not only in northern Ontario but also in rural Ontario, where we have a huge presence.

1120

We're very concerned that the funding of infrastructure programs like the road program for northern and rural Ontario could be diminished. We have a commitment from Premier Wynne, which we're very grateful for, that she will maintain the program at a \$60-million level. Last year she maintained that. We're hoping once again this year to see that maintained. It's critical because these small gold mines that are hoping to open up and all this other exploration that's going on depends on these primary and secondary off-roads. Honestly, in northern and rural Ontario, those primary and secondary roads—"bush roads" is maybe what you would call them in Toronto—are our 400 highway series. When I live in Toronto, I listen a lot about the Don Valley, the QEW and the 401 ad nauseam. For us, we move goods, and our future depends on those bush roads.

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you, Ms. Lim. Your 15 minutes are up.

Ms. Jamie Lim: Thank you.

THUNDER BAY HOME BUILDERS' ASSOCIATION

The Vice-Chair (Mr. Peter Z. Milczyn): Our next witness is the Thunder Bay Home Builders' Association. Good morning, sir. You have 10 minutes for your presentation, following which there will be questions, in your case from the government side. For the record, could you please state your name.

Mr. John Simperl: Certainly. My name is John Simperl and I'm serving as the president of the Thunder Bay Home Builders' Association. Mr. Chairman and standing committee members, I very much appreciate the time you're giving me and I very much appreciate that you would come up to Thunder Bay, which is quite a ways away. It's a little warmer today, but we certainly appreciate you coming up here.

Thunder Bay Home Builders' Association is part of the Ontario Home Builders' Association, which is part of the Canadian Home Builders' Association. I'm employed by a local developer in town. We do a significant amount of residential development as well as quite a bit of road building. In the last number of years we've lost quite a few jobs in the forestry and mining sectors, and truthfully, a lot of those jobs won't be coming back. Mining and forestry will come back, but probably not to the degree that it was before.

Today I'm looking at bringing up a number of different items. One is the Ring of Fire and the mining sector and certainly the significant number of smaller mines that are looking at opening in the area and what that will do to the housing market in the area and the number of jobs that it could create. Our association includes about 20 member companies in town and supports about 2,000 jobs in the home construction and renovation fields in the area. All those jobs account for about \$111 million in wages, which shows up in purchases across the local economy.

I'm giving some recommendations for the upcoming budget in two areas. One is the underground economy, which is becoming a big problem not only in Thunder Bay but in northern Ontario and southern Ontario as well, I believe. What has happened is that, as the mining and forestry jobs have decreased, a lot of those people have tried to find other areas to create income for themselves so they end up doing odd jobs here and there, because a lot of them are quite talented from being out in the field and fixing their equipment. It's the sort of the do-it-yourself variety, so they don't have a lot of the education and training that normally carpenters, electricians and mechanical people would have. So when they go out in the workforce, they're implying that they can do all this work to the same capabilities as a licensed carpenter or electrician. Now, I'm not saying that they're not capable of it, but when they go out there, what they are doing is they are playing themselves as having the same capabilities, doing the same job, yet they are not providing the same work and they are doing it mostly on a cash basis, under the table. There's no HST being paid on it, there's no income tax being paid, so that generally equates to

everybody in the economy losing out with the money going to those things. Plus, they're not playing by the same rules.

They also ply somewhat on naive people, where as soon as they're finished, they are gone, and there is no warranty on it. If you're a registered builder or a registered contractor, through Taron, there is a seven-year warranty on housing and that, through other contractors. Most of them carry insurance. So when you leave the house, at least the homeowner or individual contracting you has some recourse that they can take some legal action. When it's paid by cash, as soon as the person leaves, they're gone. So elderly people who would have a problem with their basement get somebody to fix it; it's summertime, and once the next spring comes, they have the same problem, yet they have no recourse, because they paid somebody by cash. We think that's a huge problem and we would appreciate something being done on that.

Similar to the underground renovations, the government loses on revenue from the consumers as well, like I said, on income tax and that.

At this time, I just think that a recommendation for the upcoming budget would be for the province to look at taking some insight into a consumer-focused tax credit, possibly similar to the expired federal government's home renovation tax credit, to deal with the problem of the underground economy in the renovation and building sector. This type of program would incent good behaviour by offering a tax credit to those that collect receipts from legitimate businesses and submit those receipts to the CRA. We also believe that a well-structured renovation tax credit would in fact bring in additional tax revenues that are currently not being collected.

The second point: The home builders' association strongly supports coordinated infrastructure investment towards strategic projects based on a clearly defined priority. We believe the expansion of core infrastructure—roads, bridges, transit, water and waste-water management—in support of a growing economy and growing population should be a key priority for the province.

It's important to ensure the province has in place a long-term asset management plan to ensure the ongoing maintenance and state of good repair.

Investments made by the public sector encourage additional private sector investment and job creation from our members. We truly believe, as per some of the previous presenters, that roads and that, for both mining and forestry, have an important role in developing an increased population base and economy on that. We believe that the investment will turn around, like we had indicated before. We believe that forestry and mining will not come back to where it was before, but there's definitely improvement there. Now that we're in a global economy base, we have to be ready when the global economy is ready for our products.

In closing, then—I don't want to take up too much more of your time—the home builders would certainly support a home renovation tax credit designed specific-

ally to combat the underground economy, which is a big problem in the province of Ontario.

We also would look at continued investment in infrastructure, specifically logging roads and mining roads as well as roads for development into the First Nations community. I think the costs for their services, both utilities and that, are significant, and by bringing in some additional permanent roads we can significantly reduce the cost that's associated with the First Nations, as well as create some employment for them.

At this time, thanks very much for your time.

1130

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you, Mr. Simperl. Ms. Vernile has some questions for you.

Ms. Daiene Vernile: Thank you very much, Mr. Simperl, for coming in today and for giving us this very informative presentation. You touched on a few things I want to ask you about: the underground economy and also infrastructure.

I don't know if you had a chance to read this news report; it just came out about an hour ago. There is very good news for your industry. The Ontario economic accounts report is out and it's telling us that last year, for 2015, in the first three quarters of the year, the residential construction housing industry grew at a very strong and fast pace at 6%—it's interesting to hear that—and that household spending in Ontario is up by 3.1%. So I guess when people have more money, they look at things like buying new houses, don't they?

Mr. John Simperl: Certainly, and that's part of it. With the people who have lost their employment through logging and mining, certainly they look at things differently. They look at how much money they have, how long they can afford to be in the house—"We would have liked to have a larger house because we're in a large family, but we just don't know where the next dollar is coming from in wage," so they'll stay put.

So as the employment opportunities look more favourable, they're more favourable to investing more money into their house, home or household.

Ms. Daiene Vernile: I think that this also informs us that some of the decisions that are being made by our Premier, Kathleen Wynne, and our finance minister, Charles Sousa, are sound decisions; we're on the right track. They've committed \$130 billion to infrastructure spending. You mentioned roads and bridges and how important they are here. What kind of impact do you think it's going to have on your region when you see that kind of spending in investment in infrastructure?

Mr. John Simperl: We certainly would see it as a benefit. It would be interesting to see, out of the \$130 billion, what the allocation is for northern Ontario. Is it \$5 billion or \$10 billion or is it \$1 billion? I think by looking at that amount, if it's \$5 billion or more, it would certainly be appreciated because I think we can do a lot.

Part of the transportation issues are as well—as you can appreciate with the bridge being closed at Nipigon for a number of days and the lack of, we'll say, two different roads in northern Ontario, especially between

Nipigon and Thunder Bay, which the provincial government has put a significant investment in already. It's a good part of the way, but I think we certainly need four lanes, and we would need four lanes at least to Shabaqua to the west, which at least then gives it the opportunity—if the route between Shabaqua and Dryden or Kenora is closed, at least you could go the Fort Frances way, which is not a significant additional distance, but at least you have the opportunity—you're not going to have the Trans-Canada closed to all traffic where you can't go east or west. I think that's a huge point that is being looked at.

Ms. Daiene Vernile: I appreciate you sharing that with us.

My final question to you is about the underground economy. My colleague, MPP Laura Albanese, who is sitting at the end of the table here, is currently conducting a provincial review of the underground economy in your industry and is collecting feedback.

You mentioned that there are people who are floating into this because they're looking for a way to make an income. Do you see that any of them are making it permanent? Is that a trend?

Mr. John Simperl: In some cases it is—not totally—but what happens is that once they get comfortable in it and they see how much they're making tax-free, we'll say, it certainly becomes more favourable for them to spend more time in it than they normally would and possibly not look for other opportunities. It depends on age groups and that as well.

Ms. Daiene Vernile: Anything else you'd like to share with us?

Mr. John Simperl: No. I just certainly appreciate the time that you've taken to come up here and the time that you've taken to listen to us. I'm sure that all the other presenters are very much appreciative as well. We just thank you very much.

Ms. Daiene Vernile: We appreciate the insights that you've given us into your region. Thank you very much.

Mr. John Simperl: Thank you. Have a nice day.

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you.

THUNDER BAY REGIONAL HEALTH SCIENCES CENTRE

The Vice-Chair (Mr. Peter Z. Milczyn): Our next presenter is the Thunder Bay Regional Health Sciences Centre. Good morning, sir.

Dr. Bill McCready: Good morning.

The Vice-Chair (Mr. Peter Z. Milczyn): You have 10 minutes for your presentation, following which there will be five minutes for questions. In your case, the questions will be coming from the official opposition. For the record, please state your name.

Dr. Bill McCready: I'm Dr. Bill McCready. I'm the interim CEO and president of the Thunder Bay Regional Health Sciences Centre and the interim CEO of the Thunder Bay Regional Research Institute. I'd like to start by declaring that I am not a professional hospital ad-

ministrator, and I'm certainly not a politician, so I start by apologizing for that.

I've got some key messages for you. One is that we are very grateful for the targeted support that we've had, as both a research institute and a hospital, from various governments over the years. We believe that investment in health care and health care research is exactly that: an investment, and not an expense.

The province obviously sees health care budgets as a huge part of their problem in balancing their budget, but we would encourage you to think about the job spinoffs and the taxes you collect from your investment in health and, in particular, health research, which results in jobs, training and retention.

The academic health sciences centres of Ontario are grossly underfunded, largely as a result of the last four years of fiscal restraint. We'll come to that a little later.

Lastly, as a high point, we would like to encourage you to continue to invest in long-term care, particularly here in the northwest. It provides considerable pressures on our institutions, which, again, we'll come to.

I think we've already heard about the boom-and-bust economy of northern Ontario, and we've had many examples of that. We see ourselves as part of the solution to that in the knowledge-based economy, with our health sciences cluster developing in Thunder Bay as some kind of buffer to that. We have our partnership with the Northern Ontario School of Medicine and Lakehead University. We have our own research institute, and we are in the middle of commissioning our cyclotron. All of these things will go a considerable way to helping the economy of our area and helping employment. I think we actually may well be the largest employer in the city of Thunder Bay, although it may be nip and tuck between us and Bombardier, but we're very close, so we're an important economic driver in this area.

We've renovated our old cancer centre to develop a research site, ICR Discoveries. We have two spinoff companies, and our board of governors just okayed a third spinoff company this past week, all of which will hopefully, in the end, be economic drivers for us.

We believe that the economic spinoff of health sciences research is an important future for our region. Our hospital is the academic health sciences centre serving the whole of northwestern Ontario.

I'm not sure how everybody got here today, but we would encourage you to drive, not fly, to make you realize the scale of our region. We cover, as a health sciences centre, an area that's larger than France. It has 240,000 people living in it, whereas France has 67 million people living in it, so we're one of the lowest population densities in the world, in fact. That in itself has huge challenges.

The people of northern Ontario, particularly northwestern Ontario, are considerably less healthy than the rest of the Ontario population. The male life expectancy is more than two years shorter than the rest of Ontario. We have hypertension rates which are higher, and diabetes mortality rates which are higher. Our obesity

rate is considerably higher, at about 65% compared to 51%. Our infant mortality rate is 20% higher than the rest of Ontario. It's worse than such countries as Greece, Croatia and, I hesitate to say, the United States of America. That's a dreadful thing to say.

We tend to lead unhealthy lifestyles. Smoking and alcohol consumption are higher. Our fruit and vegetable consumptions are lower. All these are factors in driving costs within our health sciences centre. The province recognizes in its funding formula how sick the population that we serve is. It also recognizes population growth in a formula called the HBAM. That formula, I think, definitely needs to be looked at. We've seen a reduction in our budget of half a million dollars last year on that formula. I think it overemphasizes population growth, so populations growing in southern Ontario tend to get more of that money than we do. That's a problem.

1140

Some 20% of our population are aboriginal. We are in a very unique situation in northwestern Ontario in terms of the number of aboriginal patients that we serve. I think everybody likely doesn't need schooling from me as to how sick this population is in terms of health care needs.

Tobacco use is much higher in the aboriginal population. Some 85% of lung cancers are tobacco-related. We already have a high rate of diabetes in our overall population, but it's at least two to three times higher in our aboriginal population than in the Caucasian population. This has resulted in a higher amputation rate, so we have a lower-limb amputation rate in northwestern Ontario that's 2.7 times the rate of the rest of the province. Our cardiovascular disease rate is 1.5 times that of the rest of the province.

I think that probably, if you've listened to the media this morning, you've already heard Chief Fiddler talking about the tragedies of youth suicide in northern Ontario. The rates are at least five to six times that of the rest of the population.

These are really shocking health care statistics.

The opioid addiction rate in many of our First Nations communities is also a scandal. Deliveries of babies in the Sioux Lookout Meno Ya Win Health Centre: About 18% of those babies are born to mothers who are using narcotics. They have neonatal abstinence syndrome, which causes considerable health care costs. These infants have to stay in intensive-care-type settings for many days to be weaned off narcotics.

How is that relevant to you? We believe that the future for us lies in investing in taking care of these problems on your behalf. We must be responsive to the health care needs of our population, and doing so means moving away from our traditional responsiveness as a community hospital and starting to look for research and innovative methods to try to improve these health care disparities. This will lead investment.

We do want to acknowledge the province's announced investment in cardiovascular surgical services for our hospital. As we said, we have 1.5 times the rate of cardiovascular disease than the rest of the province, so we think this will

have a dramatic effect. It will reduce travel. It will let people make choices that they sometimes don't make now, when they can have this service closer to home. We believe this service will create 65 new jobs for the economy of Thunder Bay, so we really would applaud your investment in that.

We'd like to bring to your attention the fact that we continue to have a large number of alternate-level-of-care patients in our institution. We had over 60 in the hospital this morning, about 20 of whom are waiting for long-term care. We do have a new long-term-care facility opening, which will go some way to answering that problem, but we still believe that the province should look very carefully at keeping the Bethammi Nursing Home open, at least as a temporary measure, for the next 20-plus years, to address the ALC issue in Thunder Bay.

This is not directly for us. We have 395 funded beds, and 20 of those are funded extra to take care of ALC patients. But we had 426 patients in our hospital yesterday, so the difference of those 31 patients—we have no funding for looking after those patients. So we would absolutely encourage the province to look at the ALC situation in particular in the northwest.

Moving aside from local issues, we are a part of Ontario's research hospitals, of which there are 24. I do believe you had a presentation in Hamilton from our CAHO group. We see ourselves as drivers of change: innovation in patient care, innovation in education, research innovation, and contributing to improving the system. I think part of what people tend to forget about what academic hospitals do is that they make the system better by sharing their knowledge with others and trying to improve the efficiency of care. An example is the ARTIC program—

The Vice-Chair (Mr. Peter Z. Milczyn): Dr. McCready, could you wrap up your presentation, please?

Dr. Bill McCready: Okay. There's a delicate balance here between what we are asking for and expenditures in health care. We would ask you to continue to fund the Ontario Research Fund. We'd ask you to mandate the creation of a health research strategy for Ontario. We'd ask you to continue to fund the ARTIC framework and, in particular, we would ask that you fund academic hospitals to fulfill their mandate of care, teaching and research. Four years of no increase has been a considerable strain to us all, and we can't continue to support the changes we need out of our existing budget.

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you, Dr. McCready. I want to make sure there's enough time for questions for you. Mr. Barrett.

Mr. Toby Barrett: Thank you for the presentation. You mentioned, just at the very end, four years, referring to the—I assume—freeze on funding for hospitals. It has been described to me as hospital funding using the term "activity-based funding." I guess that wouldn't include clinical research and some of the things you're talking about.

Dr. Bill McCready: That's correct. Academic hospitals traditionally have received more money than their

community hospital counterparts, and they've used those additional funds to drive research and innovation. Some of the funding formulas that occurred hit the academic hospitals in southern Ontario particularly hard. They hit us less hard because we didn't have that original funding to start with. We think we're underfunded by somewhere between \$5 million and \$7 million for our academic mission, which makes life very difficult for us. We are the third most efficient hospital in Ontario. We've recently had a review where we were found, by the reviewing company who did a benchmarking exercise, to be the most efficient hospital that they have reviewed, and yet we can't balance our budget.

Mr. Toby Barrett: What percentage of your budget is directed towards research?

Dr. Bill McCready: Less than half a per cent.

Mr. Toby Barrett: Less than half, okay.

Dr. Bill McCready: We invest directly about \$2 million into our research institute out of a \$300-million budget.

Mr. Toby Barrett: Yes. You made mention in the report of \$25 million from the province. That was start-up funding?

Dr. Bill McCready: Yes. The province provided a number of grants for the research institute when it started. It really got the research institute going and we're very grateful for that. But we're still left now with: How do we move forward here? How do we become responsive to the health care needs of the population?

Mr. Toby Barrett: With your research scientists, they're also doing teaching—are there cross-appointments with the university?

Dr. Bill McCready: Yes. We have an arrangement with the university where we pay their salary for the first five years, we share their salary for the next five and then Lakehead takes it over, provided those individuals become tenured professors in the university. We've had several who've been successful in getting those tenured appointments at Lakehead University, so we have a very rich relationship with Lakehead University.

Mr. Toby Barrett: And they or you or the combination would also be pursuing ad hoc research grants, for example?

Dr. Bill McCready: Yes, absolutely, but they're very hard to get. There are many structural difficulties in getting grants. You have to have matching funding in particular, which makes it—especially in a small place like Thunder Bay—quite difficult to find matching funding for those research grants.

Mr. Toby Barrett: I worked for the Addiction Research Foundation for 20 years. It's a tough sell to explain to the public that with what we're doing, you may see some results 20 years down the road.

Dr. Bill McCready: Absolutely.

Mr. Toby Barrett: One other section: As with so many hospitals, the concern with patients in the hospitals who could be better served elsewhere—and you make mention of waiting for long-term care. Is there a hospice facility up this way?

Dr. Bill McCready: St. Joseph's Care Group runs a palliative care unit, a hospital-based hospice service.

Mr. Toby Barrett: A service like that must help a bit to take some of the pressure off the hospitals.

Dr. Bill McCready: It takes a considerable pressure off, but those numbers are relatively small compared to the numbers we're struggling with every day.

Mr. Toby Barrett: Is there much work being done on further enhancing or bringing along or promoting home care, specifically to take pressure off the hospital?

Dr. Bill McCready: We work very closely with the CCACs and our LHIN to try to keep people at home. In fact, there are almost as many people waiting for long-term care at home who are high needs. The CCAC has made a considerable investment. Some of these folks are sicker than the patients we have in the hospital.

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you for your presentation today, Dr. McCready.

1150

ONTARIO PUBLIC SERVICE EMPLOYEES UNION, LOCAL 737

The Vice-Chair (Mr. Peter Z. Milczyn): Our next witness is the Thunder Bay Jail. If the folks from there could come up.

Good morning, gentlemen. You have 10 minutes for your presentation, following which there will be five minutes for questions, in your case, from the third party. For the record, could you please state your names.

Mr. Michael Lundy: Sure. My name is Michael Lundy.

Mr. Gregory Arnold: I'm Greg Arnold.

Mr. Michael Lundy: If you see Greg kick me under the table, it's just because I may be speeding up a little too much and he's trying to slow me down, that's all.

Good morning, ladies and gentlemen. Thank you for coming to Thunder Bay. My name is Michael Lundy, as I introduced myself earlier. I'm president of OPSEU Local 737, and I've been a correctional officer in Thunder Bay since 2004. I'm also union vice-chair of the provincial joint occupational health and safety committee.

Ladies and gentlemen, there is a crisis in corrections. One very obvious sign of that is the Thunder Bay Jail. It's 90 years old, it's rife with problems and it's falling apart. Toilets don't flush. Sinks have no running water. There are holes and mould throughout the crumbling structure. The isolation unit's toilets regularly back up and overflow down into our kitchen area. The jail has no working sprinkler system and it has no smoke detectors. I repeat: It has no working sprinkler system and no smoke detectors. Last year, a fire failed to even activate the heat alarms inside our jail.

Thunder Bay Jail is a death trap for staff and inmates, packed in like human sardines. Protective custody counts have skyrocketed, leading to triple bunking—housing three men in a tiny cell made for one. Imagine the tensions and volatility that these living conditions create. Severe overcrowding and chronic understaffing led to a

full-blown riot last month. Seventy inmates took control of the protective custody floor. We watched in horror as one of our colleagues was taken hostage. Inmates destroyed the unit during a 12-hour riot that sent four people to hospital. In corrections, we say that we never walk alone, but that night, one of our own did, and things will never be the same—sorry, I got a little bit emotional at that part. It was a really bad, tough month for us.

At the Thunder Bay Jail, in my time I've witnessed five inmate deaths that I've been forced to deal with; two inmate disturbances; a full-blown riot and hostage-taking; countless attempted suicides; two escapes; innumerable inmate-on-inmate assaults, including stabbings and group beatings; and attacks and death threats on correctional staff.

Ladies and gentlemen, I am not naive. I don't believe every incident was the direct result of an aging structure and an inadequate staffing model. However, a large share of the violence must be attributed to the building, poor staffing models and a general indifference for safety and security on the part of management and the ministry. So many of the pilot projects that are introduced in corrections focus down on southern Ontario: the body scanners, the canine units, the institutional search teams. We've seen none of that up here in the north.

In 2000, Thunder Bay Jail was placed on the closure list. Two years later, there was a ribbon-cutting ceremony to build a new remand centre on the Thunder Bay Correctional Centre property. Six years later, the current superintendent of the Thunder Bay Jail was given a mandate to prepare for a new facility. The following year, in 2009, a coroner's inquest recommended that the jail be replaced.

Thunder Bay council, the city police association, Thunder Bay intergovernmental affairs, OPSEU president Smokey Thomas, Progressive Conservative leader Patrick Brown and NDP corrections critic Jennifer French have recently toured the Thunder Bay Jail, calling the conditions dirty, deplorable and disgusting. I ask you, ladies and gentlemen: It's now 2016. What is the government waiting for: inmate deaths, correctional officers' deaths, a lethal fire, a mass escape? Does it require a casualty in the community?

The issues go beyond health, safety and security. One is accessibility. Inmates' family members with a disability are unable to visit loved ones. The Ontario Realty Corp. refuses to make any changes to the jail, calling it a historical site. I fail to believe that historic integrity trumps compassion and human rights.

Over 80% of our inmates are First Nations. As you know, a key element of First Nations culture and healing is the family. When our inmates receive provincial sentences, they are most often shipped 12 to 16 hours away to complete their sentences. That means no access to family or the healing that they bring. Staff shortages deny First Nation inmates smudging and other traditional opportunities.

In addition, the number of mentally ill offenders has grown exponentially over the last several years and is at

an all-time high. Some 20% to 50% of inmates have mental health and addictions issues.

Ladies and gentlemen, Thunder Bay is one of the most violent, drug-dependent cities in Canada. It is the murder capital of Canada. Many of the murderers are known to correctional staff because they've been in the system before, and during that time, they received no rehabilitation whatsoever.

Minister Naqvi recently toured the jail, and he talked about the crisis in corrections by transforming corrections, notably through a discharge planning program. It's a program that I do believe in. I believe in a lot of what Minister Naqvi has said. However, the Thunder Bay Jail, the model that we currently work in, is a recipe for failure. Our program room holds just six inmates at a time, and that is when we even have enough officers to supervise programs. Currently, this occurs twice monthly at best.

Newer-style facilities have trained correctional officers to deliver these programs, as well as additional programs rooms with easier accessibility. Thunder Bay Jail has one social worker on staff. That social worker is also our classification officer, so there is no time for social work.

The government owes it to the inmates, to correctional staff and to the community of Thunder Bay to provide a facility where we can at least attempt to rehabilitate offenders. No, we won't transform every inmate, but building the type of jail we're asking for is an inescapable step to transforming corrections. A new 350-bed facility would be good for the city. It would create employment opportunities for the community through the construction. It would require additional correctional officers to help the ministry realize the transformation of corrections. Good-paying jobs put more money back into the community, entice young people to stay and attract new people to move here.

At the same time, it would save taxpayer dollars through amalgamation. Presently, we have two correctional properties: the Thunder Bay Jail and the correctional centre. The new facility could be run as a single correctional complex. It would be one of a kind in Ontario: a remand centre, a medium-security correctional centre, a maximum-security correctional facility and a women's facility, all on the same property.

Ladies and gentlemen, we can't afford to wait any longer for a new correctional facility in Thunder Bay. The government must replace Thunder Bay's disintegrating and dangerous jail so that, collectively, we can fulfill our mandate of care, control and custody.

Mr. Arnold has a couple of points that he'd like to make about the transportation of inmates, and then I'll be happy to answer any questions about my presentation.

Mr. Gregory Arnold: Good morning. My name is Gregory Arnold. I've worked as a provincial bailiff and a correctional officer in the province of Ontario for the past 34 years. I'm an elected OPSEU union member in the corrections division for the Ministry Employee Relations Committee. I represent all correctional workers that work in the institutional and the community settings in Ontario.

Thank you for this opportunity to present to the committee today and for giving me an opportunity to assist the province in the transformation process of its correctional services through these pre-budget consultations.

I have provided the committee with a copy of the Offender Transportation Report and an additional document, the Inmate Transportation Jurisdictional Scan, that flowed out of the 2013-14 round of Ontario public service bargaining with correctional services. This Offender transportation subcommittee report and recommendations were submitted to the deputy minister in July 2014. The committee to date has not received a response from the deputy minister's office.

This report speaks to improving and transforming the way offender transportation and court security are currently done in Ontario and provides recommendations to improve efficiency while eliminating redundancy. From this report, three recommendations were presented to the deputy minister for consideration. The recommendations included correctional staff taking on additional responsibilities, which were, by the way, originally viewed as correctional services work; changes to how we do escorts in this province and how we do transfers; and the procurement of appropriate transfer and escort vehicles.

The union feels that the true cost of offender transportation and court security in Ontario is mired in police, ministerial and municipal budgets. The redundancy in bureaucracy is exorbitant.

The union proposed that we define what a police role is versus what a corrections role is. OPSEU's corrections division recommended that the role of correctional services that it provides to the province be redefined. We view the police role as enforcement. We view the corrections role in Ontario as custody, care and control of individuals who are currently in custody in Ontario.

That being said, we would like the police to concentrate on law enforcement. Any custodial roles would become the full responsibility of correctional services. There are too many conflicting legislations that govern the transportation of offenders in Ontario. There are enormous savings to be realized if one agency were responsible for all offender transportation and court security in Ontario.

This is an opportunity to achieve a portion of the transformation in correctional services that the Minister of Community Safety and Correctional Services has spoken about. It also redefines policing and correctional roles, bringing them more in line with other provinces. It will allow the true costing and tracking of offender transportation and court security to be reflected under one agency and one budget. It impacts several ministerial and all municipal budgets.

These recommendations, if given proper consideration, can assist in making Ontario an affordable leader in correctional services in North America.

1200

Just to give you a couple of quick facts: In 2014, the Ministry of Correctional Services, in the offender transportation operations branch of correctional services,

moved 28,000 offenders in Ontario alone. We have in our fleet of vehicles three MCI buses, 19 large paddy wagons or cube vehicles that are Internationals, four vans and four accessibility vans, which, by the way, are all exceeding their lifecycle and have to be replaced in this province. You understand what an accessible vehicle is.

That's all I have.

The Chair (Ms. Soo Wong): Thank you very much, Mr. Arnold. I'm going to turn to Ms. Fife to begin this round of the questioning.

Ms. Catherine Fife: Thank you to both of you for your presentation.

Michael, earlier today the mayor of Thunder Bay referred to the correctional facility here as a rathole. Would you say that's an accurate description?

Mr. Michael Lundy: Yes, I would.

Ms. Catherine Fife: My colleague Mr. Fedeli, who actually had the chance to tour it, said that he thought the mayor was being generous in that description.

The idea around corrections is that there be some opportunity for rehabilitation. I think that you've made a compelling case that in the correctional facility here, it's almost impossible to rehabilitate.

The mayor also made the case that almost 60% of the inmates are still on remand, so you have the most innocent potentially with the most violent in the same facility. That contributes to very tense and very complicated working conditions as well. Do you want to comment on that at all?

Mr. Michael Lundy: Sure. I like to call it essentially a criminal university because we put some of these—and I don't want to say they're all innocent, but someone who comes in for a lesser charge, without as much violence, ends up coming into these ranges filled with what we in the industry call "heavies," because they're the ones who run the ranges, and they're usually full of gang activity. They take these people and they basically—you've got two choices: Either you give up everything you have in there or you become one of them, right? Essentially we're putting them into an area with no programs, so they're unlocked for 12 hours a day and they have nothing to do other than learn how to be a further criminal, unfortunately.

Ms. Catherine Fife: It's not the way progressive corrections around rehabilitation—or even restorative justice, which is so important to the aboriginal community, as you quite rightly pointed out. I want to thank you for making the point that having to move so far away from family is heart-wrenching for people.

I also toured Maplehurst and Vanier in Milton, Ontario, with our critic, Jennifer French. While it's true that those are much newer facilities, it's the working conditions and the inmate conditions which I think are fairly consistent, in that I did see three men in a cage: one on top, one on the bench and one on the floor.

Mr. Michael Lundy: That's correct.

Ms. Catherine Fife: In the women's facility, the mental health issues, which you also raised, were abso-

lutely—until you see it, you can't really believe that these conditions exist in Ontario or Canada.

You raised the issue of the coroner's inquest: the recommendation to build a new jail in 2009. Give us some sense of what has happened since 2009, aside from nothing. Give us the Reader's Digest of inactivity on this file.

Mr. Michael Lundy: The jails have gotten worse; the violence has gotten worse. As a matter of fact, now that you mention it, I'm going back and forth between here today and testifying at an inquest. Actually, one of the things we were talking about is three people in a cell. When an inmate is in distress, you don't want to move the inmate, but unfortunately the cells are so small that we had an inmate in medical distress who ended up passing. We had to carry him out of the area into an officers' corridor 25 feet away so that we had the ability to perform first aid on him and get the paramedics in there because the cells are so small.

As far as what has happened in the jails, the drug activity is higher, the violent crimes are up, the gang activity—all that stuff has increased so much right across the province, from Ottawa right up to Fort Frances and everything in between.

Ms. Catherine Fife: The minister has said, though, that he's not interested in building new jails or more jails, but I think that your case for a new facility—the recommendation of a new 350-bed facility in Thunder Bay: Has this been officially presented to the minister?

Mr. Michael Lundy: I don't think so, but if I could bring attention to an Ombudsman report from Saskatchewan right now, the Regina Correctional Centre is up to 100 years old, and the Ombudsman also recommends that aging buildings over 100 years aren't conducive to doing a transformation of corrections. That's not what they were originally built for back then, and it's so hard for us.

Again, I put in my report that we have one program room that holds six inmates. Our count is generally 150 to 160, and maybe twice a month at best do we ever get the opportunity to bring those six inmates down to a program room.

Ms. Catherine Fife: So I think the consensus is that this facility cannot be fixed, right?

Mr. Michael Lundy: Yes.

Ms. Catherine Fife: And by many voices, not just by those who are connected to corrections.

Finally, I just want to thank you for the work that you do. I think that there are a lot of people—many, actually; the majority of people in this province—who don't understand how complicated your job is. I hope that the negotiations that are ongoing with the government are productive and meaningful, and I hope that working conditions also then reflect inmate conditions, because obviously the two issues are connected.

Please let your colleague know that we are all paying very close attention to what happened around the hostage-taking and around the need for post-traumatic stress supports for all concerned in that environment.

Mr. Michael Lundy: Thank you very much.

The Chair (Ms. Soo Wong): Mr. Lundy and Mr. Arnold, thank you so much for your presentation, as well as your written submission. I know your colleagues have been visiting us, from Hamilton, yesterday in Windsor and now today, as well as the next two days. We do appreciate your time, but most importantly, thank you to each one of you for serving Ontario.

Mr. Michael Lundy: Thank you very much. We appreciate the opportunity.

The Chair (Ms. Soo Wong): Have a good afternoon. Thank you.

I believe we're going to be recessed until 1, everybody. I just want to let everybody know that we'll be recessing now until 1 p.m.

The committee recessed from 1205 to 1300.

LAKEHEAD UNIVERSITY

The Chair (Ms. Soo Wong): I'm going to resume the Standing Committee on Finance and Economic Affairs. I believe the first witness this afternoon is from Lakehead University: Mr. Brian Stevenson, the president and vice-chancellor. Mr. Stevenson, are you here?

Dr. Brian Stevenson: Yes.

The Chair (Ms. Soo Wong): Welcome. Good afternoon. Mr. Stevenson, you probably heard that you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from the government side. You may begin any time. When you begin, please identify yourself for the purposes of Hansard.

Dr. Brian Stevenson: Very well. Thank you very much for inviting me to come here today. It's a great privilege and an honour. I really appreciate the fact that you're here in Thunder Bay and that you're touring around talking about the budget.

My name is Brian Stevenson. I'm the proud president and vice-chancellor of Lakehead University. I'm now in my sixth year as president here. As you can imagine, for that period of time I've been very engaged with the community and with the economy. That has been a central theme that I've had.

Just for you to know, Lakehead University is a fully comprehensive university. We have approximately 10,000 students in two campuses, one here in Thunder Bay and one in Orillia or, as we call it, north Simcoe. The university has 10 faculties. We have the western campus of the Northern Ontario School of Medicine; we have Canada's newest faculty of law, the Bora Laskin Faculty of Law; we have engineering; we have business; we have education; we have social sciences and humanities; we have a natural resources faculty; and we have a health and environmental sciences faculty. Our programs are largely professional programs, and they're very connected to the economy.

Since we started in 1946—we started as Lakehead Technical Institute, and we were, at the very beginning, around forestry and mining, and we still are. That, I would say, is at the heart.

What I want to talk to you about today is not really focused on the budgets of the universities and the woes and the troubles that we might be going through—those things that you listen to all the time. I really want to focus on how the university can help the economy, how the university can support northwestern Ontario, and on the kinds of things that I'm hearing in terms of what the government can do to help nurture the future of our economy in northwestern Ontario.

Our pre-budget submission really wants to echo, first of all, the goals of the Ontario 2011 growth plan for northwestern Ontario, especially those sections relating to aboriginal peoples, a culture of innovation and entrepreneurship, and education and infrastructure. I want to talk to you about three broad areas that I think, if you had specific envelopes to support the communities and the economy in northwestern Ontario, the university could facilitate.

These are the three areas where I would suggest that we can be engaged and supportive. First of all, aboriginal education, ways of supporting aboriginal education; secondly, how you can support entrepreneurship in northwestern Ontario; and finally, supporting research and innovation, particularly the linkage between the private sector and our emerging industries. These would be areas where we would be trying to diversify our economy and trying to work on helping and supporting the economy.

In terms of aboriginal education, I really think this should be a fundamental goal at this time and supporting particularly helping young people in northwestern Ontario finish high school. That, I would think, is one of my biggest worries as president of the university, because approximately 50% of aboriginal peoples in Canada do not finish high school. If they don't finish high school, they either have a struggle afterwards to finish and then go to some post-secondary institution or they don't get further education. Lakehead University has taken a number of measures to support the encouragement of young aboriginal kids in northwestern Ontario, through the school boards, to try to finish high school and then from there, hopefully, getting them to come to university.

We have a series of measures that we've taken. We have a four-point plan.

The first one was the expansion of our daycare, which we did.

The second was the development of our achievement program, which is going to the schools with children starting at about age 10—grade 4—and furthering their connection to the university and developing scholarships for them to come if they participate in university activities.

Third, we're developing a telepresence network to be able to take classrooms to communities in northwestern Ontario and to First Nations communities with the highest and the best technology that we have.

Finally, our first priority is for a Gichi Kendaasiwin building, which would be a building that would house all our aboriginal programs. Lakehead has about 1,200 aboriginal students of the 7,500 or 8,000 students in Thunder Bay, so we have a very high rate.

So I think helping the whole educational system from kindergarten to college and university and developing programs that will help that—this is the largest demographic, as you well know, in northwestern Ontario, and the youth that we have to bring into higher education and finding ways of delivering programs in their communities as well as here in Thunder Bay is very important.

Secondly, my perception of the economy of northwestern Ontario is that although it has grown in the past with big companies and big industries, its future is going to be through medium and small enterprises, and therefore at the heart of what I think the university has to do and where we will need support, going forward, is in developing entrepreneurs. That's not just business graduates that are entrepreneurs, but trying to develop an entrepreneurship culture at the university for students—whether they're in education or engineering or whether they are in nursing or in law, to develop entrepreneurial skills and knowledge.

We've done two things for that. One is that we've developed an entrepreneurship certificate that's open to all students. But we need support and money to be able to get those students to do co-op programs and internships with small and medium enterprises. Secondly, we have developed, thanks to the Centres of Excellence in Ontario, an entrepreneurship centre with the college that is there to help entrepreneurs develop businesses.

We are developing a business service industry in northwestern Ontario. Whether we're supporting the forestry industry that's beginning to do a comeback or the Ring of Fire or the diverse new economic areas that we're looking for, we want to be able to support that through entrepreneurs and developing that entrepreneurial spirit. And that's really where the culture is, as far I can tell, in northwestern Ontario.

Finally, we have put together a proposal for an industrial research and innovation park that would be part of the diversification of the economy, focusing initially on environmental and climate change industries in northwestern Ontario. The research park is modelled on other parks in Ontario. What we want to be able to do—these kinds of ideas are designed to try to connect the university to the business community, and the industrial research and innovation park would bring our researchers and industry together to do incubation of industries that would be supportive and helpful in northwestern Ontario.

We're doing, for example, with our Centre for Sustainable Mining and Exploration, an interdisciplinary program to connect to businesses and communities in northwestern Ontario to help the development of the Ring of Fire and other mines. This would be along those lines, where we can have a location where we can bring industry, the researchers and investors to talk about the diversification of the economy.

So if forestry and mining are there as our core, what we want to do is look towards the future, and we have done some of that as well through developing our biotechnology with the hospital and the college.

That's it for my presentation. Thank you, Madam Chair.

The Chair (Ms. Soo Wong): Well, perfect timing. I'm going to turn to Ms. Hoggarth to begin this round of questioning.

1310

Ms. Ann Hoggarth: Hi, Brian.

Dr. Brian Stevenson: Hi there.

Ms. Ann Hoggarth: It's good to see you. First of all, because I was not able to be there, I'd like to congratulate you on Lakehead's 50th anniversary.

Dr. Brian Stevenson: Thank you.

Ms. Ann Hoggarth: I know that you recently opened a law school, and the northern Ontario medical school has a campus at Lakehead. How do you believe this will affect the jobs and the economy in the north?

Dr. Brian Stevenson: I think that the opening of the Northern Ontario School of Medicine here in Thunder Bay, but also at the same time the opening of the new regional hospital and creating that as a research hospital, has really given us an opportunity in the future to develop the biotechnology industry here. We have the Thunder Bay Regional Research Institute that is doing work on medical imaging, and that could not have happened if we didn't have both the development of the hospital itself—the new hospital structure—as well as the Northern Ontario School of Medicine. That is making us a smart city, if I can put it that way; it's making us a research city that is going to look at expanding and developing our economy beyond the fundamentals of forestry and mining.

Ms. Ann Hoggarth: Great. You do have a campus in Orillia that works very hard in the University Partnership Centre with Georgian and Laurentian, and I'd like to thank you for your work in that. How has your enrolment changed or grown as a university because of some of these programs?

Dr. Brian Stevenson: The challenge that we have in northwestern Ontario is that the general population is declining. The only population that's growing is the aboriginal population, and therefore one of our long-term goals is to attract aboriginal students, as I was mentioning in my presentation.

The biggest challenge that we've had this year is that we've had a major drop in our enrolment due to the policy around teacher education—that we had a reduction in the number of students that we would be allowed to train. I think we all recognize that we had an oversupply of teachers, but at the same time the issue has gone a little bit further than we expected. Right now what we're doing is we are trying to struggle with the recapturing of some of those students who would come up in the past. We're working on a number of measures to do that.

You know, 42% of our students in Thunder Bay come from Toronto and the GTA so we have a great attraction of students. We have to continue doing that, maybe with other professions and careers that we're trying to work with MTCU to develop.

Ms. Ann Hoggarth: I think my colleague—

The Chair (Ms. Soo Wong): MPP Vernile.

Ms. Daiene Vernile: Do we have time?

The Chair (Ms. Soo Wong): You've got three minutes.

Ms. Daiene Vernile: Brian, besides being the MPP for Kitchener Centre—we have a wonderful tech and innovation explosion happening there—I'm also the parliamentary assistant to the Minister of Research and Innovation, the Honourable Reza Moridi. You have active and very interested partners in the province when it comes to entrepreneurship and innovation.

We have invested in the north. Can you tell me how these investments are helping you?

Dr. Brian Stevenson: I think what's very important for us is this: Any investment that the government can do in supporting the private sector creates jobs, and anything that creates jobs helps us with our graduates. Our biggest fear is that we will continue to grow as a university, but then we will be exporting all of our students. People from the northwest want to come and get an education here—they don't want to go elsewhere—but they also don't want to finish their degree and have to go south, east or west. They want to stay in northwestern Ontario. So the investments that the government has made in those areas—and we've coordinated quite carefully with MTCU—have seen a beginning of a culture of entrepreneurship in northwestern Ontario that will become industries for emerging businesses in northwestern Ontario.

Ms. Daiene Vernile: We're very excited by the innovation and the entrepreneurship that we are seeing in Ontario's north that are coming out of institutions like yours, so good on you. Thanks.

Dr. Brian Stevenson: Thank you for, for example, the Centres of Excellence funding and the support for our research and innovation funds that are joined with the federal government. This year Lakehead University was the number one research university in Canada in our category as an undergraduate university. In no small measure it was because of the support we've had from the provincial government in support of federal and private sector investments.

Ms. Daiene Vernile: It's good to get that positive feedback from you. Thank you.

Dr. Brian Stevenson: Thank you.

The Chair (Ms. Soo Wong): Thank you very much, Dr. Stevenson, and thank you for your presentation and your written submission. Have a great afternoon.

Dr. Brian Stevenson: Thank you very much, and I hope you have fun the rest of the week. Take care.

THUNDER BAY SYMPHONY ORCHESTRA ASSOCIATION

The Chair (Ms. Soo Wong): The next group coming forward is the Thunder Bay Symphony Orchestra Association. I believe that it's Mr. Inksetter and Mr. Whidden. Gentlemen, good afternoon. As you probably heard, you have 10 minutes for your presentation, followed by five minutes of questioning. In this round, the questioning will be coming from the official opposition party. You may begin at any time. Please identify

yourself for the purpose of Hansard when you begin. Thank you.

Mr. Paul Inksetter: Thank you, Chair and members of the committee. Thank you for the opportunity to address your committee during these public consultations. My name is Paul Inksetter. I'm the president of the volunteer board of directors of the Thunder Bay Symphony Orchestra, the largest professional arts organization in northern Ontario. I'm also the past chair of the Thunder Bay Community Economic Development Commission.

I'd like to begin by acknowledging with thanks the government of Ontario's long tradition of supporting our cultural community through the Ontario Arts Council. I also acknowledge the financial challenges Ontario faces and the need for fiscal discipline.

We are aware of the government's plans to invest in infrastructure to both stimulate our economy and to make our province more competitive over the longer term and that you will be looking for the most strategic investments that will provide the maximum benefit and return to the people of Ontario. I am urging you to recognize that cultural infrastructure and capacity form an essential element of the province's infrastructure and offer probably the fastest and greatest return on those investments.

I would like to invite the executive director of the Thunder Bay Symphony, Shannon Whidden, to provide more specific information on that topic.

Mr. Shannon Whidden: Thank you, Paul, and thank you to the committee members for having us today. The Thunder Bay Symphony Orchestra is the only fully professional orchestra between Toronto and Winnipeg. We're one of 35 orchestras in Ontario, ranging from small budget to large. In addition, I'm a member of the board of directors of Orchestras Canada, a service organization whose role it is to speak for the orchestral community across Canada.

The TBSO—the Thunder Bay Symphony Orchestra—serves an extremely large and geographically diverse area in Ontario. Like our sister orchestras, each season we deliver artistically outstanding mainstage, education and touring performances to residents of Ontario. We're known for producing concerts featuring world-renowned Ontario, Canadian and international artists.

I'd like to take a moment to speak to you briefly about the make-up of an orchestra's revenue. We rely on the funding provided by provincial governments in order to continue serving our communities. Generally, an orchestra's revenue is made from three principal areas: earned revenue derived from ticket sales—normally this is about 25% to 30%; government funding from provincial, municipal and federal sources—this usually brings us to about 33%; and the remainder is secured through fundraising revenue, which is usually comprised of donations from individuals, foundations and corporate sponsorships.

As we approach the spring release of the provincial budget, I wanted to highlight the importance of public funding of the performing arts in Ontario. The arts in

Ontario are an incredible economic driving force. Our sector maintains 280,000 jobs across the province, which, in turn, is part of over \$22 billion that cultural products as a whole contribute to the province's economy. The 35 orchestras I mentioned earlier contribute over \$66 million in spending to the economy—that's the actual amount that they contributed in the 2013-14 season. That's more than the annual budget of the Ontario Arts Council, which is \$60 million.

Every dollar that's invested in the arts sees a return of roughly \$4 back into the economy, whether through parking, an uptick in restaurant business as a result of performance attendance, or a myriad of other avenues that those funds see going back into the local and provincial economy. Beyond this immediate impact, by the way, using TBSO as an example, we provide 40 full-time positions and we also provide significant aid in recruiting and retention within the knowledge sector.

Given that return on investment, we believe that Ontario is well positioned to make a transformative increase in public funding to the performing arts. This is a message that Orchestras Canada and others have shared in Culture Talks, the consultation process for the culture strategy.

I mentioned earlier that the Ontario Arts Council's annual budget is \$60 million. The council accomplishes an incredible amount with that budget, which has been frozen for more than six years, funding a huge range of artistic endeavours and projects. There are other granting agencies, such as the Ontario Trillium Foundation, which provide critical project support, but it's the OAC which provides core and sustaining funding for arts organizations.

A study published in 2011 detailed public spending on the arts across the country. Newfoundland and Labrador rank highest, having spent \$30 per capita on the arts—that's performing arts—followed by Alberta at \$25 and Quebec at \$24. Ontario ranked last among the provinces, coming in at \$5 per capita, creating significant financial challenges for cultural institutions and, in some cases, contributing to unsustainability.

1320

Yet even with the lowest level of funding in Canada, the OAC has been instrumental in working with Ontario arts organizations to help create a culturally vibrant province. But we can do more. We're here today to join our colleagues from the dance and opera sectors in recommending an increase to \$7 per capita for OAC funding, a recommendation that was advanced through the Culture Talks process. We believe that this will lead to transformative change for the Ontario cultural sector.

The Thunder Bay Symphony, like other arts organizations funded by the Ontario Arts Council, plays a key role as a cultural institution in our community. Last season we produced more than 80 public performances, ranging from our subscription concerts to free public concerts for our community. Our musicians are deeply engaged in Thunder Bay. Beyond the artistically outstanding performances they create on stage with the

TBSO, they also contribute to the local economy as private teachers, as instructors with Lakehead University, and engage in non-TBSO performances throughout the entire year.

Orchestra musicians are deeply committed to the well-being of their hometowns. This past December, at the musicians' initiative, the TBSO produced a benefit concert in conjunction with the Thunder Bay Multicultural Association to provide support to incoming Syrian refugees. The concert raised nearly \$3,000 in support of these new Ontarians. Members of the arts community want to see their cities thrive, and as significant cultural institutions, orchestras take that responsibility of contributing to that success seriously.

In addition to our mainstage and engagement concerts, orchestras have stepped in to fill an ever-increasing void with respect to arts education in the schools. As with any orchestra, education is a core part of our mandate, and the TBSO is passionate about ensuring that we provide music and arts education to as wide a youth audience as possible.

We produce an award-winning grade 3 singalong program, which sees grade 3 students throughout the city work with our conductor-in-residence to prepare and rehearse with the orchestra, culminating in a performance. We send quartets and quintets into the schools so that students have the opportunity to get an up-close-and-personal experience with professional musicians and their instruments. The TBSO has also created our Family Connect series, which is designed to provide a welcoming, comfortable concert atmosphere for families and individuals with special needs.

These are just several of the examples of the cultural relevance of orchestras in their communities, drawn from Thunder Bay Symphony Orchestra's activities, but there are so many more opportunities that we could and should explore. Increasing the funding for the OAC would provide a wealth of opportunity for new and engaging projects and initiatives for arts organizations to create. More significant resources would allow orchestras and other arts organizations to engage more fully with one another in creating multidisciplinary performances.

With increased funding, orchestras would be strategically positioned to collaborate with other art forms—dance, theatre—to bring new projects to their communities. An increase in administrative resources will allow us to further the work that we have done in collaborating with school boards to further tailor existing initiatives to the Ontario curriculum and to create new and exciting projects for students. We currently work closely with teachers and boards to ensure that our projects and initiatives are tailored to the curriculum, but more resources would allow us to ensure that our projects have long-term engagement and lasting impact for students.

Increased funding to the OAC would also allow for further development of touring initiatives. The TBSO currently tours three times per season, reaching communities which would otherwise have no access to live orchestral music. Additional funding would allow us to

create a more comprehensive tour program and spend additional time in each community to ensure that our impact is deeper and more lasting. In particular, we would be able to increase the number of education activities on tour. This in turn helps to place Ontario on the national stage as a cultural flagship for Canada and ultimately ensures that Canada has a more prominent position on the global stage.

Before I conclude and give the microphone back to Paul, I want to emphasize that the orchestral community and the TBSO in particular recognize that the province is not without its financial challenges. We also recognize that the government of Ontario contributes to our sector as it develops the first-ever cultural strategy. It's our belief that to recognize the potential of a meaningful culture strategy and the contribution we can make to Ontarians, significant investment in the arts is required and will help bolster the economy and will become a key part of a comprehensive financial plan for Ontario.

Thank you again for taking the time to hear us. I'll ask Paul to close out our presentation.

Mr. Paul Inksetter: Thank you, Shannon. Again, we thank you for this opportunity to participate in these consultations. As you develop your plans to invest in our province's infrastructure, we urge you to take note of the vital role that our cultural infrastructure plays as an essential part of the solutions you are seeking. We wish you well in your consultations and deliberations.

The Chair (Ms. Soo Wong): Thank you very much, gentlemen. I'm going to turn to Mr. Fedeli to begin this round of questioning.

Mr. Victor Fedeli: Thank you very much, gentlemen. I quite enjoyed that presentation.

One thing that struck me, when I think about our symphony in North Bay as well—did I hear you right that you have 40 full-time positions?

Mr. Shannon Whidden: We have 40 full-time positions, which includes our administrative staff, as well. There are 30 core musicians within the orchestra.

Mr. Victor Fedeli: Is that typical throughout Ontario?

Mr. Shannon Whidden: There's a very wide range of orchestras, as I said, from large to small. The Toronto Symphony, for example, is a very large organization, with roughly, I believe, 80 to 83 musicians on a full-time contract.

We're actually relatively unusual in Thunder Bay in that we have 30 full-time core musicians. Oftentimes orchestras will split and have smaller contracts for specific orchestras, but we've made a commitment to ensure that we can offer significant employment to all 30 of our musicians over the course of our season.

Mr. Paul Inksetter: I would add that Thunder Bay is by a wide margin the smallest city in Canada to support a full professional symphony orchestra.

Mr. Victor Fedeli: I'm not surprised by that fact. That's fascinating.

You talked about your school programs. Do you also do any kind of kids' programs in the summer? If so, can you chat about that for a moment?

Mr. Shannon Whidden: Sure. There are a couple of different initiatives that we have. We have a family series specifically geared towards younger audience members. We design the programs so that they're immersive and engaging for young audience viewers, but also so that they can become a bonding program for parents with their children as well.

Over the summer, our season is out. We actually don't perform during the summer months, but we do have musicians who reside full-time in town, and we engage them in a number of different activities. We've had them partake in Canada Day celebrations within the city, and a few other opportunities. We partake in culture days, as well, before we're back into session. We try to ensure that the musicians have access to the community, and that the community has access to music year-round.

Mr. Paul Inksetter: We also work very closely with the Thunder Bay youth symphony, although it's a separate organization—it has its own board of directors and its own charitable donation number. Our concertmaster is the conductor of the youth symphony, and they also do a chamber music camp during the summer months.

Mr. Victor Fedeli: Is that your feeding ground for the future symphony?

Mr. Paul Inksetter: In the longer term we hope that it will be. To become an actual orchestral musician is a pretty challenging process. Most of these people have a master's or higher levels of performance degrees, so it's not a simple matter of starting the violin as a kid and graduating into the orchestra, but certainly having a pool of talented musicians locally would be part of that process.

Mr. Victor Fedeli: Is it fair to ask you: What's your overall annual budget? You've just astounded me with so many numbers.

Mr. Paul Inksetter: About \$1.8 million.

Mr. Victor Fedeli: Thank you.

You talked about—I wrote down “travelling road show”; I'm not sure if that was appropriate, but did you say you get to about three different communities?

Mr. Shannon Whidden: No, we take three distinct tours. In the first weeks of the season, we send a chamber ensemble to communities like Manitouwadge, Terrace Bay, Schreiber and a number of other locations—Pic River, White River.

But in addition to that, in the fall, once the orchestra is back in session, the entire orchestra goes out along the northern shore of Lake Superior for a week-long tour, where we reach a lot of different communities. We've gone as far as Wawa in the past.

Then, in the spring months, we also take a second full-orchestra tour where we go west towards the Manitoba border, where we're in communities like Kenora, Sioux Lookout—

Mr. Victor Fedeli: Let me just make a personal plea here. Would you ever consider a symphony of the bays—North Bay and Thunder Bay—to do a swap?

Mr. Paul Inksetter: Absolutely. We have done that once in the past. We went to Timmins and we did a

collaboration with Timmins. We also did a special trip to Sault Ste. Marie for the Algoma Fall Festival they had there.

The big challenge in such an enterprise is funding. It's a huge undertaking. The distances in the north, as you're well aware, are huge, so to transport 30 musicians plus staff to North Bay from Thunder Bay is a massive undertaking.

Mr. Victor Fedeli: We do it with Timmins: The Timmins symphony comes down to North Bay and we go up there. But it would be delightful to consider some kind of a long-term plan to get the two bays together.

Mr. Paul Inksetter: We're very open to that suggestion.

Mr. Victor Fedeli: I'll pass that on to Janet Zimbalatti in North Bay. Thank you very much for a great presentation.

1330

The Chair (Ms. Soo Wong): Thank you, gentlemen, for your presentation. You have until February 2 at 5 p.m. to do any written submissions to the Clerk. Thank you very much for being here and thank you for your presentation.

HOSPICE PALLIATIVE CARE ONTARIO

The Chair (Ms. Soo Wong): The next group before us is Hospice Palliative Care Ontario: Marg Poling. Good afternoon, ma'am. Welcome. As you probably heard, you have 10 minutes for your presentation—

Ms. Marg Poling: I'm sorry?

The Chair (Ms. Soo Wong): Hello. Welcome to our presentation today. I'm just saying, so you have an idea of what's going to be in store, you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from the official third party. When you begin, can you please identify yourself for the purpose of the Hansard. Thank you.

Ms. Marg Poling: Thank you. Good afternoon and thank you for allowing me to present at the committee today. My name is Marg Poling. I am a very newly retired—as of January 1—nurse who has worked for a long time in the community and other sectors. I've retired from the position of palliative pain and symptom management consultant for northwestern Ontario and continue my work on the board of Hospice Palliative Care Ontario, or HPCO.

There is an immediate need to increase access to hospice palliative care in Ontario. While people of all ages die, the number of dying is rapidly increasing with the aging population. We've all heard the statistics. Only 3% of Canadians will die suddenly; 97% would benefit from hospice palliative care. A palliative care approach to chronic disease management would facilitate earlier access across the continuum of care for individuals living with a disease that has no cure, including the stable, transitional and end-of-life care stages.

Too many people still die without appropriate care to ease pain and anguish, and without compassionate

supports and settings. Home care has improved, but there often comes a point at which patients require more care than can be provided at home. They don't require the level of care provided in the hospital, but that may be where they end up.

Hospice palliative care is not just about dying; it's about living well to the natural end of life. It's about addressing the physical, psychological, social, spiritual and practical aspects of suffering, relieving pain and symptoms, and assisting patients and their families to maintain quality of life as they define it, even at the very end of life.

Hospice palliative care is cost-effective and desirable. While some people require the higher levels of acute care provided in hospital, it's often the case that more holistic, more desirable and more cost-effective care can be achieved in the home or in residential hospice. Pilots and models in Ontario and elsewhere have clearly demonstrated that coordinated and integrated quality hospice palliative care across the continuum of care helps reduce emergency room visits and hospital stays.

For example, an Ontario study conducted by Dr. Hsien Seow of the department of oncology at McMaster University demonstrated that an interdisciplinary team working in the community resulted in patients being 54% less likely to die in hospital, 32% less likely to be in hospital in the last two weeks of their lives, and 23% less likely to be in the emergency department in the last two weeks of their lives. And it showed that it didn't matter what the team looked like or where it was housed as long as there was an interdisciplinary team dedicated to meeting the needs of the individual.

As you've heard and will hear at other presentations across the province, HPCO is advocating for a change in the operational funding model for residential hospices which would increase operational funding. HPCO's ask is to broaden the envelope of eligible expenditures for government operational funding beyond nursing and PSW costs and provide funding for 80% of eligible costs. Additionally, HPCO is advocating for more capacity and encouraging the government to extend funding to more residential hospices throughout the province, and advocating for an increase in funding for visiting hospice services in order to strengthen capacity through volunteer recruitment, retention and training.

Hospice palliative care, as I've already said, is cost-effective, humane and ethical care that helps people to live well until the natural end of life. It happens in the home, however that is defined by the individual. It could be a group home setting; it could be a shelter for the homeless. It happens in residential hospices, long-term-care facilities and hospitals.

In northwestern Ontario, we do not have a residential hospice. What we have is a vast geography with relatively small population and numbers, so we struggle with resources and capacity. What we need is flexibility in the funding model to be able to provide residential hospice services as close to home as possible. In some remote or rural areas, co-location of residential hospice

beds may be more expedient, but the risk is that the additional supports, the environment and the benefits of residential hospices could be lost. We need to find and fund a model that maintains that focus while building that capacity.

If I am living in Red Lake, for example, and have been given a terminal diagnosis of any kind, it should not be unrealistic for me to choose to be in my community close to my loved ones and my trapline, with access to residential hospice services when receiving care on my trapline is no longer feasible. But Red Lake can't meet the standards of a residential hospice, so I'm often forced to access acute care or the community services are forced to think outside the box in helping me.

If I am a homeless person living in a shelter, even here in Thunder Bay, with care needs that are beyond what the shelter staff can manage, I need access to residential hospice services so that I don't have to be cared for in an acute care setting, where I am not comfortable and I'm surrounded by unfamiliar people. Even if a bed were available on the hospice unit and I met eligibility, it might not be my choice to die there. Then, the staff at the shelter also need to be supported by a team, just as if they were my family.

We do have visiting hospice services that need to be adequately funded so that the programs can be expanded and volunteers can focus on servicing clients, not on fundraising just to maintain services. We need the funding to support services delivered virtually, as well as to take into consideration the distances that care providers have to travel to provide those services. In northwestern Ontario, we do have an integrated, collaborative group dedicated to making it work. As Dr. Seow said when he was here, we have all the pieces and all the right people and organizations at the table. Now, we just need the flexible funding, recognizing the need to tailor the services to the community and the individual's needs.

There is no cookie-cutter solution. Funding models for hospice palliative care services must be flexible in order to offer individuals in small communities viable options for care in the setting of their choice. While we all may say we want to stay home until the end of life, it's not always possible because of medical needs or caregiver stress or simply because we've changed our mind. We may not need the level of care offered in a hospital or want to go to a hospital, but sometimes that's the only place to go when the hospice unit is full and it just doesn't feel safe where you are. That is why we need to fund outside the box. Flexibility is the key.

Thank you for your attention and this opportunity to speak.

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you. Ms. Fife has questions for you.

Ms. Catherine Fife: Thank you very much for your presentation today. We have heard from hospices at every stop. I'm happy that that's happening because it's a consistent theme. We are looking for ways to relieve the pressure on hospitals and residential hospices, and flexible models of hospice care are clearly part of that as well.

Your timing, I think, is really key as well. There is a lot of political discussion around living and dying with dignity across this country. I'm happy that that is also happening in the province of Ontario. We have known for a long time that there is inequitable hospice and palliative care across the province. Your presentation makes it very clear to this committee that the north has been largely left out of the equation.

We also know that from the Auditor General, who did a review in 2014—I don't know if you remember, Marg—and she said that this province has no comprehensive or coordinated or aligned palliative care system. It's actually irresponsible, both from a compassionate perspective and from an economic and financial perspective, not to have that in place. I just wanted to touch base on that, because your call for this government to have some flexibility for the north on palliative and hospice care—I'll take that forward.

1340

But the operational funding—this is pretty interesting, that you're asking for funding, as you should be, just beyond nursing. Can you tell us what the other costs are around hospice care, other than the clinical nursing care that you are funded for, although not broadly?

Ms. Marg Poling: The other costs that are especially significant in northwestern Ontario are those costs that involve our vast geography. For instance, there are programs that have been funded—and we're very thankful for those programs—such as the integrated palliative care nurse practitioner program. But that program came without the ability to recognize that sometimes those particular care providers have to travel two to four hours to their client, with travel costs. We do utilize OTN and telemedicine to a great extent, but there are times when that face-to-face has to happen, and that funding isn't adequate for those kinds of trips.

We collaborate very carefully and clearly with people around education around hospice and palliative care and what services are necessary and needed in our remote and rural areas. But we have to do that in collaboration, because there isn't funding to support that.

For instance, there is one palliative pain and symptom management consultant in all of northwestern Ontario. I can tell you, after doing it for almost eight years, that it's an impossible task to expect one person to be able to service all of the service providers across all of northwestern Ontario.

Ms. Catherine Fife: So we need a comprehensive review of hospice and palliative care. Right now, it may surprise you to know that the ministry does not even have accurate information on the number of palliative beds that are in our hospitals. We've heard from hospitals consistently across the province too. They're facing their fifth year of budget freezes, and that causes additional pressure, obviously, on that sector.

The Liberal Party platform in 2014 said that as an immediate step, they were going to fund 20 more hospices, which would double the number of people who have access to quality end-of-life care. To date, that hasn't

happened, but going forward in this budget process, I think that you've made a good case, a strong case and a cost-effective case for expanding hospice care, so thank you for being here today.

Ms. Marg Poling: Thank you very much for your attention.

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you very much.

ONTARIO MEDICAL ASSOCIATION

The Vice-Chair (Mr. Peter Z. Milczyn): Our next witness is the Ontario Medical Association. Good afternoon, sir.

Dr. Jon Johnsen: Good afternoon.

The Vice-Chair (Mr. Peter Z. Milczyn): You have 10 minutes for your presentation, following which there will be five minutes for questions, in your case from the government side. For the record, could you please state your name.

Dr. Jon Johnsen: Thank you for the opportunity to provide input today. My name is Dr. Jon Johnsen. I'm a family doctor here in Thunder Bay, and I've been practising medicine here for 16 years. I'm also a board member at the Ontario Medical Association, representing this region.

Every day, Ontario's 28,000 doctors go to work and put our patients first. For us, it's simple: There's no job more important than the health of our patients. So I am here to call on the government of Ontario to fully fund the demand for medical care in Ontario, according to the needs of our growing and aging population.

Last year alone, the government unilaterally cut, by nearly 7%, payments to physicians that cover the care doctors provide to patients. Yet the demand for care in the province is growing by 3.5% per year, with 140,000 new patients entering the system annually. That's like the entire population of Prince Edward Island entering Ontario every year.

I want to take a few minutes to explain why fully funding the demand for medical care is so critical to understand. We believe the government's actions have serious implications for our patients and for their families across the province.

One of the building blocks of a healthy economy is a healthy population. The fact is that Ontario's population is not just growing; it's also aging. This is not the time for the government to decide to fund less than half of the additional care that will be needed. They don't even want to pay for new doctors to treat existing patients who are struggling to access the care they need, something that's very evident where you sit here in Thunder Bay at this time.

By the ministry's own estimates, demand for medical care will grow by at least 2.7% per year—that's about \$307 million per year—due to population growth, an aging population that needs more complex care, and the need for new doctors to treat the existing patients who currently can't get timely access to care they need. Yet

the government is only willing to cover a 1.25% increase or approximately \$142 million, so less than half.

The growth in demand is happening because Ontario's doctors treat the patients that need care. More care and more complex treatment are being delivered across the province, and the government knows that this need is increasing. We want to provide that care. Doctors are aware that Ontario's aging population will require more complex care, including managing chronic conditions, and we're up to that challenge. But today in Ontario, the number of patients struggling with chronic conditions is rising sharply. More than half of our seniors have a chronic condition, and a full 25% of seniors have two or more chronic conditions. Since 2008, the growth rate of patients with chronic disease is triple the rate of patients with non-chronic disease.

The North West LHIN, where you sit right now, is home to 23,000 patients currently without a family doctor. That represents an alarming 12% of the LHIN population. That's amongst the highest levels anywhere in Ontario. Nearly 50% of the LHIN's population is right here in Thunder Bay. The region has a lower proportion of people who rate their health as excellent or very good and a lower proportion of those who have had contact with a medical doctor in the past year. With poor health practices come the increased risk of chronic disease and disability.

The LHIN's population has a health profile that requires more complex and more frequent care from doctors, and yet the province has responded by cutting physicians' services by 7% in 2015 alone. Access to care here is a big concern. We saw this just last week with the closure of the Nipigon River bridge, which cut off access for basically all the patients who were living east of that bridge who require specialty access here in Thunder Bay. So the government is failing to accept its responsibility to fund the system accordingly, and it's threatening the access to quality, patient-focused care in Ontario that Ontarians need and deserve, including here in our community of Thunder Bay.

I've seen first-hand how the lack of adequate funding in the north impacts the health care needs. It wasn't by design that I'm following somebody who was talking about palliative care and hospice care. I'm not trying to pile it on here, but currently the palliative care physicians in Thunder Bay have been unable to acquire funding for a community palliative on-call program. So that means that today in Ontario, there is no community palliative on-call support for physicians west of Sault Ste. Marie. That's a big area of the province. Doctors are doing that work and providing that service, but they're not getting the payment support like doctors in other parts of the province are. So when we talk about equity in funding in palliative care in different parts of the province, there's another issue—and it's simply because of the mantra of the province: no new money.

Physician recruiting is also a serious concern here in northern Ontario. A friend of mine, a doctor in Kenora, recently put it that the government's unilateral action had

taken their difficult recruiting position and made it impossible in an area where we have 23,000 unattached patients in this LHIN, many of them in that very Kenora region.

Recent negotiated agreements in British Columbia and Saskatchewan demonstrate how those governments have accounted for the needs of their population and have made the changes required by funding system growth. However, in Ontario the government is shirking its responsibility to fund natural growth in the medical needs of its population.

Like others have said here today, we understand the economic challenges facing the government. The physicians in 2012, I'll remind you, took a 5% pay cut and, in doing so, helped save \$850 million in the system. Why did we do this? We did this because we recognized that there were areas in the health system where we could save money and have minimal impact on patients. Now the government is cutting physicians' services unilaterally and without regard for impact on patients, and it's unsustainable. It's unrealistic if we want the best care for our patients and if we want the best doctors in Ontario. This behaviour is going to represent a race to the bottom.

While the government unilaterally imposes their cuts to physicians' services, doctors will continue to do everything we can to limit the impacts that these cuts have on patients. But make no mistake: There will be negative impacts on patients.

So our message is clear. We want the government of Ontario to fully fund the demand for medical care in the province to meet the needs of our growing and aging population. It's time for the government of Ontario to truly put patients first and fund the growth in the health care system. The decisions that Ontario makes today will impact patients' access to quality care for years to come. I thank you and would be open for questions.

1350

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you very much, Doctor. Ms. Wong has questions for you.

Ms. Soo Wong: Thank you very much, Dr. Johnsen, for being here this afternoon. I just wanted to put it on record that as a former registered nurse I certainly appreciate all the good work physicians across the province are doing to support Ontarians and protect and care for Ontarians. I actually come from a family of physicians so I know exactly what physicians are.

I also want to share with you that this is the third day of our public hearings of the 2016 pre-budget consultations. Your colleagues both in both Hamilton and Windsor have shared similar information with this committee, so I just want to be clear.

I do want to hear from you, Dr. Johnsen, if you're aware that when OMA centrally, along with government-appointed Chief Justice Warren Winkler—in terms of the settling of the negotiations with regard to this piece, I want to hear your opinion. Both parties identified Chief Justice Winkler to be the mediator on that dispute, and yet the OMA chose not to agree to the terms after Mr. Justice Winkler—your organization, the OMA, actually

agreed to this appointed mediator. After he made the decision, the OMA left the table. So I wanted to hear from you: When both parties identify a jointly decided mediator—what do you think about that? At the table, when you begin the negotiations, you appointed somebody that both parties agreed to, and then when the decision came out from Mr. Justice Winkler, the OMA walked out. Can you share with me how we deal with those kinds of concerns?

Dr. Jon Johnsen: You have to be careful about characterizing what happened as the OMA walking out, and you have to be careful about characterizing Justice Winkler as a mediator. Being in government, you'll understand that what we're asking for most recently has been a binding mediation-arbitration process. A big part of the problem in the last negotiation was that there was no binding mediation-arbitration process. Justice Winkler issued recommendations, and he did urge the OMA to accept the offer. He also urged the government not to renege on its offer. I'm sure we can get into a long nit-picking debate on whether or not the government has renege on its offer, but we do have a bit of difference of opinion on whether or not the government has followed through on the offer that was on the table when Justice Winkler went through the conciliation process.

Basically, the reason that we did not recommend the membership of the OMA to accept the final offer that the government put before us during Justice Winkler's process was that we didn't feel, as I've said, that it funded the natural growth in the system. The government's final offer was to fund 1.25% growth in the physicians' services budget when the government's own estimates are that the physicians' services budget, simply by growth in population, aging of population, complexity of the population, is going to grow by 2.7%.

Ms. Soo Wong: Okay. I'm going to stop you here because I have a couple of more questions for you, Dr. Johnsen.

As you know, the government is now implementing the recommendation by Mr. Justice Winkler—this is what the government has done because when both parties determine who the mediator is, when both parties determine who is the mediator, when he made the recommendation—

Dr. Jon Johnsen: Conciliator—I'll just correct you.

Ms. Soo Wong: Conciliator—call it mediator, conciliator; it doesn't really matter. The fact is that both parties have identified him as the conciliator.

So moving forward, Dr. Johnsen, I wanted to ask you—as you know, we are increasing 5% to the home and community care investment. We're also going to be increasing the funding in community-based care to the tune of over \$750 million. We also know that the government of Ontario has increased the health care budget by 1.2% to just under \$51 billion. So how do you see this kind of investment—because, as a family doctor, you see that patients want care close to home. How do you ensure this kind of investment is sustainable and allowed if we don't look at the whole pocket?

Dr. Jon Johnsen: I'm not sure why you're asking me how I ensure that's funded—

Ms. Soo Wong: I'm just asking you—I'm just saying—

Dr. Jon Johnsen: I'm pretty sure that's why I'm supposed to be presenting to you as to how you're going to fund growth in the system, but—

Ms. Soo Wong: I want to hear from you, as a physician—

Dr. Jon Johnsen: Do you want to hear my answer?

Ms. Soo Wong: I want to hear your opinion: How do we ensure the increasing by 5% of home and community care as an investment to serve those patients that are coming to your office every day—okay? Because right now, we're spending over \$51 billion in health care. So the question has to be asked: How do we work with all the health professionals—because we were in Windsor yesterday. The RNAO told us in a written submission that the nurse practitioner hasn't got a raise—

Ms. Daiene Vernile: Nine years.

Ms. Soo Wong: —in nine years. Okay? They also told us in writing that the information shared by your association was not accurate.

So all I want to hear is, when we are dealing with community-based care—you already alluded to it in your presentation, the aging seniors' population, which I totally agree with, because right now we actually have more seniors than children between the ages of zero and 15 years of age. So how do we, as a provincial government, whether it's our government or the opposition, deal with this aging public? Because I know, as a former nurse, the most expensive care is toward the end of life. Right? So how do we deal with this pressure point with a growing seniors' population? People are living longer with chronic conditions and chronic health care. So I just need to hear your opinion in terms of suggestions.

You talked a lot about salary. You talked about the OMA fees. I just need to find out: How do we improve and continue to improve the system?

Dr. Jon Johnsen: Can I speak now?

The Vice-Chair (Mr. Peter Z. Milczyn): Yes.

Dr. Jon Johnsen: I can? Okay, thank you.

Perhaps I misunderstood the purpose of the standing committee, because I thought it was the standing committee that was actually trying to figure out how to fund things, and what I am suggesting is that it's unconscionable for you to suggest that we're going to fund your desires to increase funding in one part of the system by taking it out of physicians' pockets. While you point to the 1.25% growth that you've talked about, again, I point to the government's own estimates of natural growth being 2.7%.

I didn't talk at all about physicians' salaries. I defy you to find the place where I used the word "salary" at all. But I will tell you that cuts to physician fees have had negative consequences on the system.

Ms. Soo Wong: Okay—

Dr. Jon Johnsen: If you'd like to put me on the committee, I can give you all kinds of ideas about how to fund things, but I don't think that's how it works.

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you, Dr. Johnsen. We've actually run out of time for your submissions.

Dr. Jon Johnsen: Thank you.

The Vice-Chair (Mr. Peter Z. Milczyn): Our next deputant was slated to be the corporation of the town of Marathon. They, unfortunately, could not attend today. In their place we have an individual wishing to provide a submission: Mr. Russell Hull. Mr. Hull?

Interjection.

The Vice-Chair (Mr. Peter Z. Milczyn): All right. He's not here yet.

TOWN OF ATIKOKAN

The Vice-Chair (Mr. Peter Z. Milczyn): The town of Atikokan? Please come forward. Good afternoon. You have 10 minutes for your presentation, following which there will be five minutes of questions, in your case from the official opposition. For the record, could you please state your name?

Mr. Dennis Brown: Okay. Members of the finance committee, distinguished guests, participants, I would like to begin by thanking the members of the standing committee for coming to Thunder Bay today to listen to our concerns and, hopefully, act on suggestions that are made.

There was to be a lady with me, and she may show up. Her name is Nicole Halasz, and she's in charge of recreation and seniors' activities and so on for the town of Atikokan.

Just one quick fact: At one time, there were 7,000 people in the town of Atikokan. Now there are about 3,000. So we still have all the amenities, the roads and so on, but there are less people to pay for it, and that's one of our challenges.

1400

With the assistance of the provincial and federal governments, the town has been fortunate to have many large critical projects completed during the past 10 years. We've been able to construct a new town hall, rebuild Main Street and Willow Road, resurface the airport, do sewage treatment plant upgrades, install SCADA, plan for a new landfill site to open in 2016, as well as plan for a multi-purpose centre upgrade in 2016.

In October 2015, Bill Mauro, our MPP, announced an investment of \$1 million from the province's Northern Ontario Heritage Fund Corp. to Atikokan's redevelopment of the pool and arena into a multi-purpose recreation and wellness centre. The grant is a key component of the plan to redevelop the facilities, which are almost 50 years old and in dire need of upgrades.

The town has applied to the federal government—FedNor—and the provincial Trillium Fund. The plan is to find \$2.2 million in federal and provincial support, to raise about \$600,000 from donors, and for the town to fund the remaining \$3.4 million of the \$6.2-million project. I should say that this has been going on for seven years. We were fortunate. I think we have pretty well

raised, in the community, about \$600,000. For a small town, we think it's an immense achievement. If you go to page 2, the second paragraph, the plan is for the town to put in \$3.4 million. That's where the challenge is.

The town has more infrastructure projects that need to be completed in the near future, but the current funding formula will no longer work for us to access the much-needed funding, because once we borrow—and that's what it comes down to: to borrow \$3.4 million—we are finished borrowing for the next probably five to 10 years because we owe too much money now and we can't do it anymore.

If you go to the third paragraph: The difficulty that Atikokan and other small communities have is that the cap on provincial funding is \$2 million. Projects such as road rehabilitation, sewage treatment and water work upgrades cost much more, so municipalities need to take out debentures or loans. That's the situation we're in. There's only so much money a municipality can borrow, so that continues on with our infrastructure challenges.

At the bottom of page 3: We would like to have an infrastructure funding program made available to us and to other small communities of less than 10,000 people that provides 90% funding but does not have a \$2-million cap. That's one suggestion we're making.

If you go to the next page, page 4: We're staged to do another project. Included in this appendix you'll see the infrastructure deficit for Atikokan. It's huge; it's about \$70,000 per household. How we're ever going to catch up, I don't know. We have another road. We're kind of in the first phase of getting approval for this, but it's going to be over \$2 million. If we have to pay \$1.3 million, then it's almost impossible for us to do at this time.

Going on now to another topic, on the third-last paragraph: We think it's time for the government of Ontario to look at the way tax arrears are set up in the legislation on property. We're suggesting that in order to speed up the process—if you go to the next page, page 5—we recommend that the government make changes to legislation governing the tax sale process so as to limit the arrears period to two years instead of three. That would speed up the whole process by one year. We think that would be a very good thing to do.

The next portion of my presentation has to do with forestry. Forestry, as we know, is huge up in the north. We know, right across Ontario, that there are 175,000 jobs in 260 municipalities. We think the government really needs to keep helping, assisting, supporting and promoting the forest industry. I just mentioned a couple of things on page 5. If you go to the last paragraph, a major concern that the industry is dealing with of late is the ongoing battle with environmental NGOs and the blatant attacks of spreading misleading information, with the intent of damaging the marketplace for forest products sourced in the boreal forest.

Right now, in this past year, the mayors from NOMA and FONOM—those are the two groups in the north, in northwestern Ontario and northeastern Ontario, and I've been part of it—have joined forces with the mayors from

Quebec, and we're working collectively to try and overcome this issue.

In my handout, you will see some of the things that the environmental groups are doing and suggesting. They make false statements and so on. They're targeting customers of the forest companies. The forest companies, rather than stand up and say something—not too many of them will, so they just back off and the jobs go to Tennessee or somewhere else. Canada is losing jobs, and as you know, we can't do that in Ontario.

On page 6, at the top: It is important to note that forest companies operating in Ontario must do so under the Crown Forest Sustainability Act. Furthermore, all forest products made in the province are sustainable.

The Crown Forest Sustainability Act, as most of you know, is probably the most rigid forest sustainability act in Canada. We think it covers all the things, including endangered species. We are hopeful that the government continues to go by the Crown Forest Sustainability Act in looking after endangered species.

Atikokan remains very dependent on the forest industry. We are appealing to the province to continue to be supportive of the requests made by OFIA. I understand that OFIA was here and made a presentation earlier today. We're especially concerned about points 1 and 2: the Ontario wood basket and the Endangered Species Act. I have that information in the appendix. There's appendix A, B and C, and appendix A has to do with that.

The last page: I just want to mention two other things about the forest sector. It relies on two key drivers: access to a reliable, predictable and affordable supply of wood fibre for manufacturing, and access to markets in which to sell its products.

As I said, they're in danger now. If you look at the first paragraph on page 6, you'll notice that Ontario only harvests 0.5% of the boreal forest each year, and 44% of the boreal forest is already unavailable; it's already set aside.

We think we need to make sure that the forest companies have their wood basket and have their fibre so that they continue to operate and thrive, especially now, with the low dollar and so on. It should be working well for the province of Ontario.

The part about customers: I mentioned that that's an issue. If you go to the handouts, the first part has the Ontario wood basket. I'll just point out the 26 million cubic metres. That's the figure that's supposed to be set aside for the forest industry in Ontario. We'd like that to remain that way so that the fibre basket isn't decreased. Only a little bit of it is harvested each year, so there should be a way to do that.

The Endangered Species Act, part 2 on page 9 of the appendix: As I indicate, it can be covered under the Crown Forest Sustainability Act. Maybe some of you have heard about setting more land aside for caribou. We found out that there's a lot of information that the caribou survive even better in areas that have been harvested, where the forest has been managed. That's another issue that needs to be taken into consideration.

That completes the handout on forestry.

Appendix B has to do with the deficit in Atikokan. This is from our asset management plan. We're given an F rating, and I would assume that a lot of communities in northern Ontario, right across Ontario, have that. It's going to be a real problem to get caught up.

If you go to the next part, I have a handout there on the upgrade to our arena and pool so it becomes a—

1410

The Vice-Chair (Mr. Peter Z. Milczyn): Your Worship, if you could wrap up.

Mr. Dennis Brown: Okay. That pretty well completes it. The only other thing, the last appendix, appendix C, is an example of an email that was put out by Greenpeace on December 1, 2014—

The Vice-Chair (Mr. Peter Z. Milczyn): Your Worship, your time for presentation is up. Mr. Fedeli has five minutes for questions for you.

Mr. Victor Fedeli: I wanted to pick up where you left off, Your Worship. And thank you very much for travelling to Thunder Bay from Atikokan. It's always a pleasure to see you.

You were just about to talk about the Greenpeace example. I know that you came to Toronto a few months ago and gave this presentation at our committee. Can you just talk about and read for the record the points that you were about to make?

Mr. Dennis Brown: Yes. As I said, there's a lot of misleading information; it's not correct, and this is a good example. Greenpeace sent this email out to many of their forest defenders, they call them. It went out right across the world practically. It says:

"Happy Cyber Monday!...

"It's been a while since we delivered the Guardian Tree with the names of more than 60,000 Forest Defenders to Resolute Forest Products back in May. A lot has happened since then."

Anyway, it goes on and on, but if you go to the next page—I should say, the very last page, at the very top, point 4—it says: "Write a false product review on Best Buy's website. Be creative and make sure to weave in the campaign issues!"

That's what they are doing, and Best Buy, I think, has certainly withdrawn some of the products from Resolute. It's making it difficult for the companies.

Another issue out there that's not mentioned in here is the forestry certification program. A lot of environmental groups own that as well, and they're making it difficult for the forest companies.

Mr. Victor Fedeli: I'm very grateful for the fact that you brought this to this committee, as well. I know you have presented this to our committees in Toronto, but it is astounding that in December 2014—and this came up on the anti-SLAPP legislation. This was your example of why our leader Patrick Brown, Toby Barrett and I voted against the anti-SLAPP legislation. This was the example you brought to the anti-SLAPP hearings, if I'm correct.

Mr. Dennis Brown: Yes.

Mr. Victor Fedeli: Back in December, we heard, "Here are five cyber-activist tasks this month," and it was

to write a false product review. Shortly thereafter, Best Buy threw in the towel and stopped dealing with Resolute. They closed the plant in Iroquois Falls and they closed the plant in Fort Frances, where this very committee was a week after it closed.

This is the direct result of this cyber activity. Can you talk about how that has affected the communities of the north?

Mr. Dennis Brown: For example, I believe that it affects some of the products they were selling even at the Thunder Bay mill, as well. There has been a decline. At one time there were six or seven mills in the northwest. Now, there is basically one. It's having an effect. As I say, we need the forest industry to help us with our economy here. Those are good-paying jobs.

In Atikokan right now, we're fortunate that Resolute is starting up a brand new sawmill. I think it's the most recent sawmill being built in Ontario, maybe even in Canada. They have to have support to keep this moving.

Mr. Victor Fedeli: We're there to continue offering the support.

Would you consider—you and I have talked about this over the years as mayors together and now as an MPP with you—that we're under siege in the north, first with the Far North Act that everybody, including the First Nations, was dead against, yet it passed; then the Endangered Species Act; and now the caribou? The mayor of Hearst told me, just very recently, that with this caribou plan, it's almost coming down to that basically you can't log north of Highway 11. This is the effect. Would you consider that we're under siege and, if so, would you expand on that?

Mr. Dennis Brown: Yes. One of the forest—
Interjections.

Mr. Victor Fedeli: I'm sorry. I can't hear you.

Mr. Dennis Brown: Okay. One of the forest divisions, one of the forest parks—that Black Spruce forest area in northwestern Ontario is being talked about as some possible wood being removed to support the caribou. If that wood is removed, it will have an effect on the sawmills in Thunder Bay, in Ignace and in Atikokan.

Mr. Victor Fedeli: When you say removed, you're not talking about removing the logs; you're talking about removing it from the ability to log?

Mr. Dennis Brown: From being harvested, yes. We think there's all kinds of wood there now, and as I said, there's a lot of evidence to suggest that the caribou do just as well in forest-managed areas as they do with wood that hasn't been touched.

The Chair (Ms. Soo Wong): Mr. Mayor, thank you very much for your presentation and your written submission.

Mr. Dennis Brown: Thank you.

MR. RUSSELL HULL

The Chair (Ms. Soo Wong): The next witness coming before us, I believe, is Russell Hull. I believe he's here. Mr. Hull? Good afternoon. Welcome.

Mr. Russell Hull: Good afternoon.

The Chair (Ms. Soo Wong): Mr. Hull, I'm not sure if you know—I just want to remind you if you do—that you have 10 minutes for your presentation followed by five minutes of questioning. This round of questioning will be from the third party.

You may begin any time. Please identify yourself for the purpose of Hansard.

Mr. Russell Hull: My name is Russell Hull. This has to do with the old Port Arthur—it's called Thunder Bay now. I've always been in the city limits. It's an old mining property on Balsam Street. On Balsam Street hill, it was all subdivided and everything back in probably the 1940s. I would just say that we're kind of left out of the city. We've always been in the city. The city has expanded into McIntyre and a few other places, but the services are not there.

I've lived there all my life. My mother owned that property, and I've moved into it. She has owned it since 1949. I have been there since 1970. What has really happened there—it was all gravel and everything. We used to use oil to keep down the dust and everything. Fortunately, I was talking to Mayor Assef—now, that was going back quite a few years, in the 1970s. When I phoned him up and I asked him to have something done about that road, he said, "It'll be no problem whatsoever." Fortunately, he was a man of his word at that time. Within one week, we had some action up there, but the engineers decided to do whatever they wanted to do. In 1978, they started filling Balsam Street hill—they made it a ramp—with pure sand. That's not gravel; that's not anything.

First of all, they went and made it a ramp on Balsam Street hill, and now it's called gravity hill. At that time, all my water or whatever from my yard went down into the street. Well, they built that street up four feet above my yard with poor material, being all pure sand at that time, and now it's known as gravity hill. This is where it comes in effect: As soon as that hill was made, we had accidents right off the bat—cars coming through my yard at 200-plus clicks. There were four young girls in a car and my wife was cutting the grass outside and I was out at a camp, and what had happened was, they came over it at over 200 clicks through my yard and knocked the gas main out and my two retaining walls, which cost me money and the city doesn't reimburse me on it at all. Not one of them was hurt—one had a little cut above the eye. They went 300 yards from the hill, past my house, through the hedges, through the gas main—they opened up the gas main, which is a main line coming into the town. I had to call the fire department, the police and everything. They had to evacuate everybody in that area.

1420

Since then, I've had two accidents in my driveway because they come over the hill and they don't stop. They go whatever speed they want. So two vehicles have been hit right in my driveway because they lost control over that hill. I had to go after the city to put stop signs in there, so now they're trying to correct the problem that

they had in the first place. Speed signs, monitoring—nobody follows those. Nobody follows the stop signs. Nine and a half cars don't stop; I'll give a half a car at the best of times.

Now, you phone the police—and I've phoned them up numerous times, 9-1-1, within one hour nine times. This is because they're speeding, and they're really speeding. The first thing they say to me: "Did you get the licence plate?" Well, they're going too fast, first of all. "Did you get the make and the mark of the car, the colour of the car or the description?" I said, "They're going too fast and I'm not a policeman. I don't have to sit there and monitor my own yard." So they don't come up. And then if I do get the police up there, they buzz right through that stop sign and they say, "Well, jeez, why don't you call somebody up here?" And I say, "I have." They're too busy; they don't have enough police on hand to do the job.

Now, I've talked to the traffic policeman—his name is Porter—and it's the same thing. Other neighbours have phoned; it's the same thing.

So up until that time—we've had 30 to 35 accidents, after they built that hill. Now they try to correct it and there are dips in that: pure sand, 10 to 12 inches. So there are two dips coming this way and two dips going down that way. The grader goes by; he can't get that ice and sand and salt, everything, out of those dips. So they heavy duty that hill to take those ruts out, to take the ice out, and of course it comes into my yard. Now, with the frost and thawing, all my whole—and I've got a big driveway. From the street to 120 feet back, basically, the driveway—it's 100 feet deep, 35 feet wide—it's all heaving. The water comes up against my house and the salt—I know it doesn't like concrete, and that's my house, right then and there.

So I had to dig a ditch to get most of the salt from that road down through my yard into my—how would you say?—septic field. Now the septic field floods; I've got a problem with my septic. No one seemed to care. I don't know how many hours I've put in there every year, because when the ice freezes I have to open it up with an axe or whatever, two or three hours anytime, at best, 20 times a year.

So to try to—how would you say?—curtail that salt coming into my yard, they built another hump. That didn't work. They built another hump. So now I'm up about like this trying to get over that hump—like a speed bump, basically, to make the salt go into the ditches. The last one that they put up there, the engineers were supposed to come up. We did wait an hour: no engineers. Now they have about 10 or 12 people working there with the asphalt, with the rollers, with the backhoes, with everything, and the engineers didn't come up. "What do you want us to do, Russ?" "Put another hump," I say.

The cars are scraping to get into my yard, okay? I have to maintain that and try to blow that snow out 30 feet, when it's all slush, with the snow blower, because that ditch doesn't work. Now it's affecting everything. My trees—I've planted, replanted, overplanted again. The

trees are dying. I have a well. The water goes through the well. We all have wells there. That's another issue: The salt goes towards the well. They don't seem to care. I've gone from mayor to mayor to mayor. Commisso is the last one I went to for infrastructure, and I didn't get even a phone call back.

The left hand doesn't know what the right hand is doing, and the right hand doesn't want to do anything else but what they're told. Basically, there are too many accidents on there and they're trying to basically slow them down, whatever, to please me, but everybody on the east side, we've all got wells, and everything is draining into our yards.

When I built that place, I had to have a 150-foot frontage, and I've got five acres in there, so I was okay. The city sold, three years ago, a 50-foot lot. We're all on wells there. They made \$3,000 on just one lot and \$6,000 on another lot. One guy did build. The other guy put a septic tank and a well in, which cost him \$30,000, \$40,000 or \$50,000. The guy beside me even put the footings in; they said, "You can build," and then all of a sudden they just changed: "No, you can't build."

I don't know how a city could do such a thing. That's very poor planning. I could give them ideas—because I've been up there for ever and ever—on how to do it. The gas main is up against the road, within a foot of the asphalt, and when a grader goes by—it's a main line, and it's going to blow. One of these days, it's going to blow.

You can't walk on the sides because there are no places to walk. We have what they call a park up there, a very big park—

The Chair (Ms. Soo Wong): Mr. Hull, I need to stop you here, because I need to turn to Ms. Fife to ask you some questions about your presentation.

Mr. Russell Hull: Okay, no problem. The 10 minutes is up?

The Chair (Ms. Soo Wong): Ms. Fife?

Ms. Catherine Fife: Thank you very much, Russell, for coming in. Very few citizens sign up for this committee and come and share their thoughts with us. Usually it's organizations or particular groups, so I want to commend you for coming in and sharing your concerns.

We, though, are charged with taking recommendations with regard to the 2016 provincial budget. Is there something that you would like to say to us with regard to—

Mr. Russell Hull: To the budget?

Ms. Catherine Fife: —with regard, perhaps, to infrastructure funding for municipalities?

Mr. Russell Hull: Yes, but the city has told me they haven't got enough money to take that hill out, to correct the slope of the road.

Ms. Catherine Fife: Okay.

Mr. Russell Hull: That was \$1 million they quoted in 1979, but it was just a figure they threw out.

Ms. Catherine Fife: I see that the city did do a report back in 2009. They really just made recommendations around paint markings and around speed, and they said that that was the most appropriate device for this hill. That was in the 2010 capital budget, so that's going back a fair number of years.

Mr. Russell Hull: They usually do it in the winter-time, towards the fall—a waste of money.

Ms. Catherine Fife: If you wanted an audience to express your frustration, you have been heard. For me, from my perspective, I'll take it away around municipal funding for infrastructure. Thanks very much for coming in today, Russell.

Mr. Russell Hull: Thank you very much.

The Chair (Ms. Soo Wong): Thank you, Mr. Hull, for being here. If you would like to put anything in writing, you can submit it to the Clerk by Tuesday, February 5 at 5 p.m. Have a great afternoon.

Mr. Russell Hull: Thank you.

THUNDER BAY COUNSELLING CENTRE

The Chair (Ms. Soo Wong): The next group coming before us is the Thunder Bay Counselling Centre. I believe it's Nancy Chamberlain. I think the Clerk has your written submission. Good afternoon and welcome.

Ms. Nancy Chamberlain: Good afternoon.

The Chair (Ms. Soo Wong): Ms. Chamberlain, I believe you know that you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from the government side. You may begin any time. When you begin, please identify yourself for the purposes of Hansard.

Ms. Nancy Chamberlain: Thank you. I am Nancy Chamberlain. I am the executive director of Thunder Bay Counselling Centre. It's a non-profit, community-based organization that has been serving the citizens of Thunder Bay and district for 48 years.

I would like to, first of all, thank you very much for the opportunity to present solutions for people with mental health and addictions, one of our most vulnerable populations in Ontario, distinguished by their enormous potential and pressing desire to serve as thriving, contributing members of our society.

Mental health and substance use, if unaddressed, steal from society. We know that 20% of Ontario's citizens will experience a crisis in their lifetime that threatens family stability, creates a cycle of job loss and causes lost productivity for employers.

The financial hit to the province is staggering. The Ontario Ministry of Health spends more than \$2 billion each year on acute care, drugs and community services related to mental health and addiction problems.

The challenge and opportunity is that many mental health issues do not require months or years of counselling and medications to be resolved. Easy, fast and inexpensive access to counselling services, available when the individual is most in need and most open to change, transforms lives.

1430

The Drummond report identified that quick-access walk-in counselling can decrease costs in the health care system by streaming people seeking urgent help for mental health and addiction problems away from emergency departments and other high-cost medical services,

such as psychiatry, and toward non-medical services that have been proven to work.

Thunder Bay Counselling Centre is a member of Family Service Ontario. As communication and service hubs in their communities, the 48 Family Service Ontario agencies collaborate with family physicians, hospitals, workplaces, schools, police, child protection and other health and social services to provide counselling services to more than 250,000 individuals, couples and families who are struggling to overcome mental health and addiction problems so that they can become, and continue to be, productive members of society.

There are three local health integration networks currently that fund family service agencies to provide quick-access walk-in counselling to meet the mental health and addictions needs of their communities. These are Champlain, North West and North Simcoe Muskoka. The walk-in model demonstrates positive outcomes at all levels—value to clients, certainly, but also the long-term value to Ontario taxpayers as clients recover more quickly and fulfill productive roles within the world of work, their families and the community.

All family service agencies in the province have the desire, capacity and capability to provide this cost-effective service but would need additional funding to launch or to expand.

Just to highlight a little bit about the Champlain LHIN in the Ottawa area: It funded the Walk-In Counselling Clinic. It launched in 2014. In a mid-funding evaluation in 2015 it was confirmed that the quick-access counselling program is delivering as intended.

Cost-effectiveness: Clients report that they avoided hospital visits as a result of a quick-access walk-in intervention. The increasing number of younger people accessing walk-in counselling prevents escalation of costly problems in the future.

Demand: At the end of 2014-15, 1,778 client contacts were made, with 1,500 open files, and that exceeded their targets by more than 50%.

Demographics: Young adults—a clientele with huge potential to prevent escalation of needs but one that is generally much more difficult to engage—made robust use of the walk-in clinic, with more than 30% of all clients between the ages of 20 and 29.

Gender: Typically, the gender breakdown of clients seeking long-term counselling is 30% men and 70% women. However, in this clinic, it was a higher-than-usual proportion of men through its doors—almost 50%—indicating that men are finding it easier to access counselling services in a walk-in structure, perhaps because of the immediacy of the service, the confidential nature, or the short-term structure.

In 2015, the Canadian Institutes of Health Research funded research to compare the clinical effectiveness and cost-effectiveness of the two models for delivering counselling services: single-session walk-in counselling and traditional service delivery. Participants from both groups improved over the 10 weeks of quantitative data collection; however, walk-in-model participants reached

a normal range on General Health Questionnaire-12 after five weeks, with traditional model participants in 10 weeks.

What's my ask? My ask is that, right now, Thunder Bay Counselling Centre and Children's Centre Thunder Bay—two organizations in our community—currently provide quick-access mental health walk-in counselling for individuals experiencing mental health concerns, concerns such as anxiety, depression, addiction and relationship conflict. Since 2007, when we opened our clinic, we have served more than 6,000 individuals.

In September 2015, with encouragement from our community partners, there was a partnership that expanded to include St. Joseph's Care Group, Sister Margaret Smith centre—for those of you who don't know, that is a substance treatment centre—and NorWest Community Health Centres. We submitted a proposal for an integrated, comprehensive walk-in counselling centre to the North West LHIN. The North West LHIN advised the partnership that while the proposal had value, funding was not available in the 2015-16 year, although they said they would keep this on their records for a couple of years.

I urge you that without funding from the North West LHIN we will not be able to meet the demand for quick-access mental health counselling in Thunder Bay. Quick access to mental health counselling is a solution for the 70% of low-income families who are currently accessing these services and who currently do not have other ways that they could afford them or be able to access those services.

I am asking the Ministry of Health to provide funding directly to the North West LHIN specifically to divert people with mental health and addictions problems from expensive emergency department services toward quick-access mental health walk-in counselling that would be offered through Thunder Bay Counselling Centre, Children's Centre Thunder Bay, St. Joseph's Care Group and NorWest Community Health Centre. Thank you.

The Chair (Ms. Soo Wong): Thank you very much for your presentation. I'm going to turn to Ms. Hoggarth to ask you some questions about your presentation.

Ms. Ann Hoggarth: Ms. Chamberlain, thank you so much for your presentation. I'm from Barrie, so I know how well this program works. It's an amazing, creative solution for a very large problem. There are people who just need to talk exactly when they're in crisis and may never have need of it again. If left with no services, that problem may escalate to the point where they need ongoing counselling.

I think that you made a wonderful presentation. We have heard in other cities about these proposals, and I very clearly will speak positively in regard to this proposal. I can't promise, of course, but I do believe that one of the things that our government is trying to do is to make better use of funds to divert people from emergency department services that are very expensive and to do the best for the people of Ontario. I believe that this is one area of mental health that would be better served by the walk-in clinic.

Could you tell me: Do you have any exact amount that you would need?

Ms. Nancy Chamberlain: It's called an IHSP that we put into our North West LHIN. That was just under \$400,000. What it was doing was expanding an eight-hour clinic to four days a week, and it would be offered at four different sites: the children's centre, Thunder Bay Counselling Centre, St. Joseph's Care Group/Sister Margaret Smith centre, and NorWest.

In addition to that, we put in that proposal what we would call an engagement and entry person together with system navigation, so that as part of the walk-in clinic for individuals who needed some additional support—up to three to six sessions—or needed some navigation within the health care system, that was built into that proposal as well.

Ms. Ann Hoggarth: The other question that I wanted to ask was: You put in here that these people are some of the most vulnerable populations in Ontario. You also talked about youth. Does your walk-in clinic service youth as well?

Ms. Nancy Chamberlain: Absolutely. A couple of things in Thunder Bay: One of them is part of the youth suicide task force. We're also on a first response related to the walk-in if there's a pending or—I hate to use “successful”—a suicide in our community. What we've been used for is not only for the immediate youth, but the youth who have been impacted by the suicide of a peer. We also know that, through the walk-in model, you can bring your child in, bring your youth in; they can come in on their own; they can come in with a peer; they can come in with a school counsellor. There are many ways to engage younger people in the process.

Ms. Ann Hoggarth: Thank you. My final question to you would be this: Have Champlain, your North West and North Simcoe done a joint ask to the budget committee at all?

Ms. Nancy Chamberlain: I'm not aware that we've done a joint ask, but I do know, through Family Service Ontario, in the cities where there is a consultation happening, I believe that in each of those communities there's going to be an ask.

Ms. Ann Hoggarth: Great. Thank you very much, and congratulations on the work you're doing. I thank you very much on behalf of those people who desperately need this help.

Ms. Nancy Chamberlain: Thank you so much to all of you.

The Chair (Ms. Soo Wong): Thank you very much, Ms. Chamberlain, and also for your written submission as well. Have a great afternoon.

ONTARIO PUBLIC SERVICE EMPLOYEES UNION

The Chair (Ms. Soo Wong): The next group coming before us, I believe, is OPSEU: Gord—is it Longhi?

Mr. Gord Longhi: Yes.

The Chair (Ms. Soo Wong): Thank you. Welcome, sir. As you heard earlier, you have 10 minutes for your

presentation, followed by five minutes of questioning. This round of questioning will be coming from the official opposition party. You may begin any time. When you begin, can you please identify yourself for the purpose of Hansard. Thank you.

1440

Mr. Gord Longhi: Thanks. Good afternoon. My name is Gord Longhi. I'm a probation and parole officer, and I'm also the OPSEU union representative for all probation and parole staff in Ontario. I want to thank you for providing me with this opportunity to present today.

The Ministry of Community Safety and Correctional Services has a mandate to protect the public by establishing, maintaining and operating adult correctional facilities, institutions, and probation and parole offices in Ontario.

In our communities, probation and parole officers strive to meet that mandate by supervising convicted offenders who receive a sentence that allows them to stay in the community on probation, conditional sentence or early release on parole. These offenders commit crimes that range from predatory sex offences, serial domestic violence, armed robberies, arson, drug offences, illegal weapons offences and fraud all the way down to shoplifting. A recent example of the type of offenders that land in our office is the domestic violence offender who committed a triple homicide in Wilno, Ontario.

Corrections in Ontario has recently received a lot of press, partly because of the threat of a strike, but more so because of ongoing major incidents that unfortunately have become far too commonplace in corrections. Those incidents are not simply isolated events, but are symptoms of a system that has broken down from neglect and poor management.

Our correctional services are like any other systems in the government, or in nature, for that matter. They require resources to operate effectively. When those resources are denied, the system suffers, and in this case it financially starves. In corrections, this has come to a critical point where the safety of our community, the offenders and our staff is being significantly compromised.

Our probation and parole services monitor over 51,000 offenders in the communities in Ontario on a given day. The Auditor General, Bonnie Lysyk, identified some alarming trends in the 2014 report on adult community correctional services. I will share the following highlights:

—Ontario has the highest offender population of all the provinces and territories in Canada.

—Ontario probation and parole officers have the highest caseload averages in Canada.

—The Ontario government spends the second-least in all of Canada on probation and parole services, at \$5.81 a day per offender.

—Two thirds of our offenders are medium- to very-high-risk.

—Some 44% of our offenders are classified in the high- to very-high-risk category. That category has a

60% rate of recidivism, which is reoffending. Ontario's recidivism rates are increasing for all categories.

—Ontario probation and parole officers are not monitoring compliance with house arrests and curfews.

—Offender risk assessments/management plans are not being completed consistently.

—Probation and parole officers are supervising high-risk cases before they're adequately trained.

—By the ministry's own estimates, the number of offenders with mental health issues has grown by almost 90% since 2003-04, yet the ministry has not provided any resources or training to help officers deal with this workload pressure.

Some of that report seems to be damning towards the probation and parole officers, but I'll state that it's a systemic problem. As a probation and parole officer for the last 25 years, I can say that I have considerable knowledge of the subject matter, and I can confidently say that our probation and parole officers are a dedicated and skilled group of professionals who have given their all to deliver on the ministry's mandate. But sadly, we cannot meet all the requirements of the job with the staffing levels that are in place, and that means that public safety suffers.

Almost all of the disconcerting facts uncovered in the auditor's report can, in some direct or indirect fashion, be attributed to a serious lack of human resources. We recently settled a contract agreement, and part of that is to hire 25 new officers. That's welcome, but that action doesn't even decrease the caseload average in Ontario by a single percentage point. It's perhaps shameful that a union has to bargain with their own employer to get much-needed resources, particularly when it's a public safety issue.

What the Auditor General's report doesn't highlight is that our ministry does have a very robust program model, and the standards of supervision in Ontario are as high as, if not the highest in, all of Canada. We're proud of that as probation and parole officers. So the good news here is that we have the best and brightest ship in the navy, but the bad news is we don't have enough sailors to even get it out of port.

PPOs—probation and parole officers—in Ontario have carried the highest national workload average for more than two decades. Despite this fact, our ministry continues to increase the duties and responsibilities required of officers to administer their case supervision.

In the last three years, for example, we've been tasked with completing complex psychometric assessment tools on sex offenders and domestic violence offenders. While these are tools that help us do our job better, they require significant upfront time to complete, and ongoing assessments are also very time-consuming. There have been no resources to accommodate the extra duties for front-line officers; hence, there is less time for us to spend on other clients and other offenders in the system. This has been an ongoing theme within our ministry for more than a decade. At some point, with enough pressure, any dam will break. I'll put it to you that in this case, that's already happened.

We have ample examples of public services in this province that understand the value of staff-to-client ratios. Our education system uses class size limits to ensure quality education for students. Our children's aid societies have caseload limits so that our children are safe. Police, fire and ambulance all have population ratios that ensure enough first responders are available to protect their communities. Federal parole officers have a caseload cap of 25 offenders to ensure that their officers are not too overwhelmed to make sure their parolees are being supervised in the community.

Our own government has an even closer example right here in Ontario: The Ministry of Children and Youth Services' probation officers supervise an average of just 11 cases per officer. That recognizes the value of lower officer-to-offender ratios in reducing youth crime and protecting public safety.

The American Probation and Parole Association recommends a caseload average of 50 for a supervision model that is similar to what we utilize in Ontario. However, we have locations here in Ontario where the caseloads are in the 80s and the 90s. It's simply unreasonable and it's unsafe.

I'll provide a quote from one of these studies, and I'll submit that with this presentation later. It states, "The importance of caseload size to the effectiveness of probation and parole supervision cannot be overstated. Offender supervision is a human capital intensive activity. There is no technological or automated solution to this problem.... People, in the form of PPOs are the core correctional resource." That comes from the American Probation and Parole Association.

Public safety is the most important aspect of the mandate of our ministry; however, there is also a business case to consider in support of this proposal to increase probation and parole resources. Crime has an incredible cost not just on the provincial government, but on many other groups. Municipal governments, police services, health care, private businesses, the insurance industry and private citizens all bear the financial burdens of crime.

Aside from the obvious costs to police, courts and correctional services, there's a deeper cost: Victimization of individuals has a heavy and long-lasting economic effect. Many victims require hospitalization and ongoing medical costs. Some of these victims are emotionally and mentally scarred for life. Some require life-long financial assistance because they can never return to work or they are away from work for extended periods of time. Private companies suffer from losses and damages, higher insurance, and security needs as a result of crime. So it's not just a ministry budgeting issue; it's an issue that affects everybody at all levels.

A reduction in recidivism will decrease costs on other budget lines. A recent study taking into account only police, court and correctional services estimated that crime cost the country about \$30 billion annually. With almost 40% of the offender population of Canada residing in Ontario, there's an obvious benefit here.

Minister Naqvi recently posted a message about the transformation of correctional services in Ontario, but unfortunately that statement did not include any mention of probation and parole services, so I'm asking this panel to support the proposal for increasing resources in probation and parole offices across Ontario. It's more of an investment than it is a cost. Also missing within that statement was any commitment to address the long-standing neglect of adequate resources for services for aboriginal communities.

Am I running out of time?

1450

The Chair (Ms. Soo Wong): Can you just wrap up, please?

Mr. Gord Longhi: Okay. We're going to anticipate more and more pressures on community corrections with the transformation, looking at trying to move offenders out of institutions back into the community. We probably need another 200 officers in Ontario to be able to monitor them safely and provide the public safety that Ontario deserves. At that rate, for 200 officers, we're looking at about \$14 million of an investment for Ontario, and we're looking at trying to reduce the caseloads to 50 as an acceptable level. I'd appreciate your support for that. Thank you.

The Chair (Ms. Soo Wong): Thank you very much for your presentation. I'm going to Mr. Barrett to start this round of questioning. Mr. Barrett.

Mr. Toby Barrett: We've had a number of presentations by OPSEU with respect to probation and parole. So often it's out of sight, out of mind. It maybe hasn't been in the papers lately. One thing that certainly opened my eyes—and this came up at a previous presentation from your OPSEU colleagues with respect to Thunder Bay Jail. I've spent 10 years going in and out of Burch every other month. Now, that's minimum security. This is Burch outside of Brantford; it has since been closed. Down my way, we have the Sprucedale young offenders facility, and I've been in and out of there a few times, courtesy of the union actually, during other strikes and what have you. But I have to admit, quite honestly, I thought our approach to corrections, whether it be probation and parole—the Thunder Bay Jail, by way of example. I thought in the province of Ontario we were a little more advanced than we are now.

MPP Vic Fedeli and I had a tour of the Thunder Bay Jail just before Christmas, right after the riot. Then I went back for my Christmas holidays and told my friends and family about the hellhole that is up here. I had no idea that was the situation there. There are probably other facilities like that, and the impact that it has not only on the inmates but on people like yourself who work there—it raises in my mind the impact it would have on and that you would see in people who come before you on your caseload file in the probation or parole system. Are we doing more damage than we're doing good, by starting out with less than a good situation in the first place?

I just wanted to let you know that we have got an awful lot of documentation from OPSEU that will be

going to our opposition critic for corrections, Rick Nicholls, who may pass this on to Patrick Brown, who also toured the jail. It's a bit of a wake-up call for us, and I ask you—these kinds of reports are valuable. We now have, I will admit, more of an interest in this, given what we saw and how that rot in one part of the system has to influence the whole system, not only in Thunder Bay, but elsewhere in the province. I just wanted to make that comment.

MPP Fedeli was exposed to some of what we saw, as well. Do you have any comments, Vic?

The Chair (Ms. Soo Wong): Mr. Fedeli, you have one minute.

Mr. Victor Fedeli: Thank you. I, too, want to comment on the deplorable conditions. I've never seen anything like that in my life. I was really, truly moved, shocked and deeply upset by it. I cannot imagine working in conditions like that or being imprisoned in conditions like that. It was quite a shock.

You talked about increasing resources and you talked about the number of 200. Is it only people that you're talking about in resources or is there equipment, as well, that you feel is required?

Mr. Gord Longhi: Well, certainly our ability to supervise clients in the community would be enhanced. Specifically, what I'm thinking of is the GPS technology for monitoring sex offenders in the community or people under house arrest. We currently cannot keep an eye on these people, and probation and parole is a Monday-to-Friday business. On the weekends we're not out there supervising people. If we had the resources to run that sort of electronic surveillance—we have electronic surveillance; it's just being really poorly managed. If we would invest more money into that, that's a technology that would help us, but certainly the institutions are—I mean, we have it bad in the community, but the institutions are really stressed and they need resources big time.

Mr. Victor Fedeli: Do the prisoners know about that weekend pass?

Mr. Gord Longhi: Oh yes, they do—absolutely.

The Chair (Ms. Soo Wong): This is a public meeting too.

Mr. Victor Fedeli: May I call you Gord?

Mr. Gord Longhi: Yes.

Mr. Victor Fedeli: Are you employed at that jail?

Mr. Gord Longhi: No, I'm a probation and parole officer. I have worked in institutions before, so I'm fully aware of that, and I've been heavily involved as a union representative for a lot of years, so I'm fully aware of the situations that go on there. No, I would never want to go back to working in one of the institutions in our province at this point in time.

The Chair (Ms. Soo Wong): Thank you very much for your presentation. You have until February 2 to submit your written submission by 5 p.m. to the Clerk. Thank you for your presentation, and thank you to all of your members for all of the good work that they do to keep Ontario safe.

Mr. Gord Longhi: Thank you very much.

ASSOCIATION OF MUNICIPAL MANAGERS, CLERKS AND TREASURERS OF ONTARIO

The Chair (Ms. Soo Wong): The next group coming before us is the Association of Municipal Managers, Clerks and Treasurers of Ontario. I believe there are two witnesses coming forward: Mr. Rick Johal and Mr. Chris Wray.

Welcome, gentlemen. I think the Clerk is going to come around with your written submission. You may begin any time. When you begin, can you please identify yourself for the purpose of Hansard. You have 10 minutes for your presentation, followed by five minutes of questioning from the third party. Thank you.

Mr. Chris Wray: Very good. Thank you very much.

Good afternoon, committee. My name is Chris Wray and I am the president of Association of Municipal Managers, Clerks and Treasurers of Ontario. I want to thank you today for allowing us to speak in front of the committee. With me today is Rick Johal, our director of member and sector relations. I would like to start this afternoon by taking a minute to thank the committee for allowing us to appear today.

In addition to being the president of AMCTO, I am also the chief administrative officer and clerk-treasurer of the municipality of Wawa, so I am especially pleased to be able to make this presentation here in the north.

AMCTO is Ontario's largest voluntary association of local government professionals, with over 2,000 members working in almost every municipality in Ontario. As one of the province's largest municipal associations, we view it as our mission to work with the Association of Municipalities of Ontario and other municipal associations to promote leadership, professionalism and good governance in local communities. Although our name may say clerks and treasurers, we have a diverse membership made up of senior municipal professionals working across a range of service areas. Approximately half of our members are chief administrative officers and senior managers.

I'd like to talk to you today about some of the challenges facing Ontario's municipal sector. As you can see in our submission, we are proposing a number of recommendations that we believe will improve the operating environment for municipalities in Ontario. However, before I get into the specifics, I'd like to start with three principles that we believe are key to an effective provincial-municipal relationship.

The first is the importance of respecting the diversity that exists within the municipal sector. We live in a big province, and the opportunities and challenges that face each community are unique, whether they are rural versus urban, small versus large, or north versus south. I know this from my own experience of working in the north. What makes sense for Toronto, Ottawa or London doesn't always make sense for Wawa, Chapleau or Dubreuilville. Yet far too often the province designs policies and programs without considering these differences.

The second key to a healthy relationship is treating municipalities as responsible orders of government. Local governments in Ontario operate within a restrictive legislative and regulatory environment. Yet the province has repeatedly told municipalities that they are responsible orders of government that should be given autonomy to handle local issues. We believe that if the province views municipalities as responsible governments, it should treat them as such. To do so is the best opportunity for promoting effective local governance.

Third, provincial policy should focus more on outcomes and less on behaviours. The province has a role to play in guiding policy and practice within the sector, but not in imposing overly prescriptive legislation or regulatory requirements. While municipalities benefit from broad guidance and direction, they do not require specific instructions about how to word council resolutions, or detailed requirements for sending documents via official mail, for example. Local governments are in the best position to access local information, understand the local factors that might impact a policy's implementation, and respond to those local needs.

1500

Moving on to our formal recommendations, I'd like to start with the sharing economy. As you are all aware, over the past five years new services like Uber and Airbnb have grown to become dominant forces in our economy. As you can see from the presentation that we've circulated, research conducted by a number of organizations, including Forum, PwC and the Ontario Chamber of Commerce, all indicate that a substantial number of Ontarians are using these services.

However, the growth of the sharing economy has posed unique problems for many municipalities in this province. While the regulatory reach of municipalities is geographically limited, many sharing economy companies operate across the globe. Uber, for instance, now exists in 67 countries and over 371 cities. Similarly, Airbnb has more than two million listings in over 34,000 cities in 190 countries. The growth of these companies makes it next to impossible for individual municipalities to control them. That's why we are encouraging the government of Ontario to take the lead on a regulatory approach to the sharing economy. The province has the ability to take a more holistic approach instead of leaving it to the province's 444 municipalities to develop 444 separate bylaws on what is a provincial problem. Regulators across the world have been slow to respond to the sharing economy, but now is the time for action.

Moving on to our second recommendation, we would also encourage the province to continue its investments in infrastructure. The infrastructure deficit is perhaps the most significant fiscal pressure facing municipalities in Ontario. Local governments in this province own more infrastructure than any other level of government, including more than 140,000 kilometres of roads and 15,000 bridges and large culverts. As you all know, much of this infrastructure is nearing the end of its life cycle. Just this week, the 2016 Canadian Infrastructure Report Card

found that one third of municipally owned infrastructure in Canada is at risk of rapid deterioration.

In 2008 the infrastructure deficit was estimated to be approximately \$60 billion, not including parks and recreational facilities or social housing units, valued at an additional \$40 billion. I think it's safe to say that this gap has grown significantly since then. AMO predicts that municipalities would have to substantially raise property tax rates over the next 10 years to meet their infrastructure commitments.

However, this is not an option for many communities, like my own municipality of Wawa, which has been hard hit by industrial decline. I might digress just for a second: Wawa, like many communities in northern Ontario, is now considered an overbuilt municipality, where infrastructure was constructed for populations that were much greater than the current population, increasing the infrastructure deficit exponentially on a per capita basis. Not all municipalities have a large and growing tax base, and in fact many like my own are declining. This is not a problem that can be solved by municipalities on their own.

Our third recommendation is for the province to modernize and streamline its regulations and reporting requirements for the municipal sector. Local governments in Ontario are drowning in regulation and unnecessary reporting. Currently, this reporting has a role in almost every area of municipal business, and there are more than 70 pieces of provincial legislation that affect the municipal sector, not to mention an unknown number of related regulations.

Municipalities are also responsible for a variety of cumbersome reporting requirements, like financial reporting, performance measurement, compliance reporting for fiscal transfers and conditional grants, and audits and evaluations of provincially mandated programs. All of these reporting and regulatory requirements are a substantial drain on resources and result in unnecessary duplication and inefficiency.

Returning to one of my earlier points about the provincial-municipal relationship, this is not the best way to treat a responsible order of government. We do not question that reporting and monitoring are important, but between the expansion of digital technology and open data, there is without a doubt a better way for it to be done. Our time is better spent looking for new ways to provide better services to our citizens. Over the next year, AMCTO is going to be working with its members and the government to identify ways that we can leverage technology while moving towards smart regulation and lessening this burden for municipalities.

For our next recommendation, I'd like to talk about an issue that's very important to me: the challenges faced by Ontario's rural, remote and northern communities. Many of the challenges faced by the municipal sector are even more challenging in the north. However, northern municipalities also face the additional challenge of attracting and maintaining talented, knowledgeable and experienced municipal staff. All sectors of the Canadian

economy are preparing for substantial turnover as the baby boom generation prepares to retire, but the public sector generally has an older workforce and is more vulnerable to the effects of demographic change. For instance, a recent survey of AMCTO's members showed that within the next five years, one third plan to retire. That number jumps to almost half within 10 years. In northern communities, the level of expected retirements is even higher than the provincial average.

As these experienced municipal professionals leave, they will take significant accumulated knowledge, expertise and experience with them. While this provides exciting opportunities for new professionals and new ideas to enter the sector, it also presents those same individuals with a steep learning curve. The challenge of succession planning and capacity building in rural, remote, and northern communities is a systemic concern. It's an issue that AMCTO and other associations have prioritized through the municipal management internship program and the Onward initiative. However, we believe there is a seat at the table reserved for the province and would encourage the government to invest in capacity building in these communities.

Finally, our last recommendation is for the province to give municipalities access to new revenue tools. It will come as no surprise to anyone on the committee that local governments in Ontario are facing a fiscal squeeze. Many municipalities are concerned about their ability to continue providing high-level services to their citizens, especially as most projections expect operational costs to grow significantly over the next decade. Yet despite these pressures, municipalities have relatively limited sources of revenue and are left to rely heavily on property taxes.

The fiscal challenges facing the municipal sector are complex, and there is no single solution. Every community faces its own unique challenges and has its own unique needs. Rather than having the province look for a one-size-fits-all solution, we would encourage the government to consider giving municipalities access to new revenue tools and allowing them to decide what's right for them.

Over the past year, AMCTO has been working closely with the government on a number of issues, from Ontario's disaster assistance program to fixing the systemic issues with Ontario's voters list, and we look forward to continuing this open and constructive relationship.

Thank you very much for your time.

The Chair (Ms. Soo Wong): Okay. You are over your time, but I was mindful of your presentation. I'm going to turn to Ms. Fife to ask you this round of questions, Ms. Fife?

Ms. Catherine Fife: Thanks very much, Chris and Rick, for being here. I just want to say at the outset that what we do—the value of this committee is that you come up to the north and you realize that not all one-size options fit. That's the value for us.

Is this the first year you've ever presented on the sharing economy? Because I have heard some of the other stuff before, so I just want to focus on this. Your

previous slide says that you don't want the government to be overly prescriptive, but it is rare for municipalities—and the Ontario chamber also recently did ask for regulation. It's rare. I can't even tell you how rare it is for the chamber to ask for regulations. But it's obviously needed, because the sharing economy means different things to different people, and, I think, particularly for the north.

Do you want to expand a little bit on what you would like to see from regulation? You did some polling here.

Mr. Rick Johal: Certainly. I'll take a stab at that.

I think you're right. I think it is unique that we would ask for a regulatory framework around the sharing economy. We're probably not as extreme as the chamber, as you mentioned. In terms of the details, we haven't gone far. I think what we've heard from our members, and what municipalities are struggling with—and some of this is in the media, certainly, in the GTA—is that there are a lot of efforts attempted to rein in the sharing economy so that they can take a look at this, but there aren't mechanisms in place for local governments to actually do much enforcement. So they're really struggling in terms of reconciling the taxi industry and the new sharing economy, and Uber in particular.

The idea that municipalities would piggyback off one solution like Toronto is a worrisome thought for a lot of others. I think right now, the real concern is that maybe what we need is a more broad approach.

The sharing economy, as mentioned in our report, represents something that is without borders. It really does transcend local communities. We've taken similar stances with issues around towing and storage.

Where things cross administrative borders for municipalities, there is oftentimes a role for the province to be more active. That's really what we're looking at here: more of a provincial direction with respect to how we go there. I am mindful of the fact that there are times when we say, as a sector, we don't need the province to tell us everything, but in this instance, this is one of the areas where we think there's an open and necessary dialogue there.

Ms. Catherine Fife: To be fair, there has to be some balance, because there are a lot of regulations out there. You've made very strong points about the administrative requirements that are really quite onerous, I think, so those are valid points.

1510

I did want to give you a chance just to perhaps weigh in on MPAC: the need or the discussion around MPAC reform. Did you want to? Because I think that MPAC has failed in some instances to defend their industrial assessments, for instance. This has a disproportionate effect, I think, on the north, and I think it's important for us to hear the northern perspective on it.

Mr. Chris Wray: That's a good point on MPAC. There's an awful lot of cynicism out there among municipal staff members with respect to MPAC and how it approaches things.

I would give them credit: In the last little while, they've made some efforts to try to put some focus on

that, most recently hiring a number of customer service representatives, and I've had an opportunity to meet with several of those. However, they do lack in a lot of areas.

Most recently—one of my most favourite subjects, of course, as you'll know, Ms. Fife, and Ms. Albanese knows as well, is power dams.

Ms. Catherine Fife: Yes.

Mr. Chris Wray: I've recently been talking to them about those types of properties, and frankly, they're still not there yet, with respect. They're looking at ways to escape having to look at those facilities again. Sometimes, with their broad brushstrokes, they include these like-minded properties—paper mills and wood mills is another one—and it has different effects on different communities. From my perspective, they haven't done a good job in educating communities on how that works, and quite often they don't recognize the negative effects that it can have, particularly on small communities in rural areas and in the north, as well.

The Chair (Ms. Soo Wong): Okay, I'm going to stop you here, sir.

Mr. Chris Wray: Sorry, yes. Thank you.

Ms. Catherine Fife: That was good. Thank you.

The Chair (Ms. Soo Wong): I believe this was the first time, in five years of being on the committee, that we've seen your association come forward, so thank you for your presentation as well as your written submission.

Mr. Chris Wray: Thank you very much.

Mr. Rick Johal: Thank you.

The Chair (Ms. Soo Wong): Have a great afternoon.

THUNDER BAY REGIONAL RESEARCH INSTITUTE

The Chair (Ms. Soo Wong): The next presenter is the Thunder Bay Regional Research Institute. Are they here? Barbara Bishop and—it looks like more than two; I have two names, but that's okay. Come on down. There are three people. The Clerk gave me two names, so I'm going to give you ladies a chance to introduce yourselves. You have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from the government side. Before you begin, please identify yourselves for the purposes of Hansard.

Ms. Brittany Sanche: My name is Brittany Sanche, and I'm a social worker with Thunder Bay Regional for their women's and children's program.

Dr. Naana Jumah: I'm Naana Jumah. I am an obstetrician and gynecologist at Thunder Bay Regional Health Sciences Centre and a clinician researcher at the hospital.

Ms. Debra Bishop: I'm Debra Bishop. I'm a nurse practitioner who primarily works in maternal health at Thunder Bay Regional.

Dr. Naana Jumah: We are here today to present before you our support for Bill 141, the Pregnancy and Infant Loss Awareness, Research and Care Act, which was just recently passed in December 2015. We're here because we see the immense impact and benefit that this act may have for women and their families who have

experienced loss, either of a baby in utero or shortly after birth.

As an obstetrician, I'm going to start where my focus always is, and that's with a patient's story. I'm going to talk about a young mom, a patient of mine from a remote First Nations community, who came to Thunder Bay alone to deliver her baby because our health care system does not think that it's important for women to have loved ones present at the time of birth.

She is alone, staying at an impersonal hotel, worrying about the children she left behind several weeks ago. She doesn't feel her baby move. She comes to the hospital alone. She is told the unthinkable: Her baby doesn't have a heartbeat. She labours alone. She delivers alone. She will return home alone, no baby in her arms. She endures this unbearable suffering alone. "Why did this happen? What do I tell my family? What do I tell my children? It must be my fault." I put my arms around her shoulders and tell her she did nothing wrong. It's not her fault. But I can't answer her questions. I don't know why this happened. I don't know the words to comfort her, to soothe her children, to help her family grieve.

I'm an obstetrician. In residency I learned about bringing life into the world, but very little about loss. There is one clinical practice guideline that goes through the mechanics of which lab tests and X-rays to order when there has been a stillbirth, but it provides little guidance about caring for a woman who has experienced loss.

We can do better. We should be able to answer the question: Why did this happen? We should know how to counsel women about future pregnancies. We should be able to provide support services to women in their own communities. We should be able to educate health professionals about caring for women with perinatal and infant loss.

I practise in northwestern Ontario. Our hospitals are small, our resources are limited and the distance between communities are vast. We hear about research at large teaching hospitals such as Sunnybrook in southern Ontario that address the root causes of stillbirth and infant loss. We do not expect to be leaders in this type of research in northwestern Ontario, but we can be part of a larger research network. We can contribute to the understanding of perinatal loss in rural and remote communities and among aboriginal women. We hear about support services such as the PAIL Network, the Pregnancy and Infant Loss Network, that provides counseling and peer support for women and their families. Our patients can't access these services because funding for PAIL programs does not extend to northwestern Ontario.

When Bill 141 was passed into law, it gave voice to all those women who have experienced perinatal and infant loss. We sit here today because we can do more. Through Bill 141, we have the opportunity to improve the lives of women and their families by supporting research, education, and clinical and supportive care around perinatal and infant loss. We can do better.

Ms. Brittany Sanche: Bill 141 symbolizes a remarkable turn to making pregnancy and infant loss a societal

and health care issue that we must bring our attention to. Bill 141 will promote awareness and access to support services for women who have suffered the tragedy of pregnancy loss or infant death. We must all act as advocates to ensure that discussion around perinatal loss is no longer a societal taboo, as women should not have to suffer alone in silence.

We believe that Bill 141 will be the foundation required to ensure that women who experience pregnancy and infant loss are receiving the compassionate, appropriate and sensitive care that they deserve. One in four pregnancies end in loss. Research indicates that women who experience a perinatal loss are more likely to endure depressive symptoms that may include helplessness, isolation and anger. However, there are limited supports and services in place to meet the psychosocial needs of bereaved families. It is essential that bereaved families have access to community supports and services immediately following a loss.

We hope that Bill 141 will alleviate some of the barriers to services so that bereaved families are not put on wait-lists for counselling services and have access to peer-led support groups throughout all of Ontario.

Some of the women that I have worked with who have experienced perinatal loss have articulated heart-wrenching anxieties. Women and their families may need support instantly with the devastating thoughts on how to tell their children why their baby sister isn't coming home or how they will manage their emotions when walking past the empty nursery throughout the day.

Two of Thunder Bay's largest counselling service centres require an intake assessment followed by a lengthy wait-list. The lack of services in our city is also evident in the fact that women do not have access to peer-led support groups. We require funding from Bill 141 to further develop support programs in our city for pregnancy loss and infant death.

As health care professionals, we require education and training in how to support families following a loss. All front-line staff providing direct care, such as social workers, nurses, midwives, medical doctors and ultrasound technicians, should be provided with mandatory training modules regarding empathetic, evidence-based practice and standardized care. Bill 141 will aid to ensure that health care professionals are educated about how to help navigate families through this difficult time. It would also be beneficial for at least one to two individuals from community agencies providing supports to also receive the training and education.

Throughout my university studies there was no time in our curriculum dedicated to how to support families with pregnancy or infant loss. Even though every fourth woman we meet may suffer perinatal loss, our university programs do not provide any curriculum on the effects of pregnancy and infant loss on women or their families' mental health.

1520

Unfortunately, numerous women who endure a loss are not receiving proper care. Some women experiencing a miscarriage deliver alone at their home, not knowing

what to expect. Women who are under 20 weeks' gestational age experiencing a miscarriage typically miscarry in the emergency department in a critical care environment in an uncomfortable setting.

Women who have suffered a perinatal loss in the hospital get minimal time with their baby after the delivery and are typically in a period of shock and denial. If women do require to be admitted to hospital, they often can't bear the fact of being in maternal newborn and leave in disbelief and resentment.

Bill 141 will aid by establishing evidence-based practices and standards of care in Ontario. We need to ensure that all health care providers are listening with empathy, providing all relevant education, and making referrals to supportive care services in the community that will follow up in a timely manner.

Thank you again for introducing Bill 141. We look forward to being a part of the forthcoming change within our health care system for women and their families. Thank you for your time today.

The Chair (Ms. Soo Wong): Thank you very much for your presentation. I'm going to Mr. Mileczyn to begin this round of questioning.

Mr. Peter Z. Mileczyn: Thank you very much for your presentation this afternoon. We actually had one of your colleagues, Dr. McCready, here earlier today, and he spoke to us about some of the challenges in your community about hospital funding and the delivery of care, and also about your research facility.

Looking through it, it was not exactly on the issue of infant loss, but it leads me to a question I want to pose to you. I was reading about a really innovative program that you developed around reducing cervical cancer for indigenous women. That kind of innovation that you're leading makes me want to think that with the appropriate resources, with the appropriate focus on infant loss, certainly you could develop some innovative programs tailored for the north and maybe especially for indigenous communities. Is that what you're looking for?

Dr. Naana Jumah: I think it is. There's a lot of support amongst health care providers for improving the care of women who experience perinatal and infant loss. One of our social workers has developed a program, but we don't have the funds to implement it. There's a lot of support in communities for us to better care for women both in on-reserve communities and off. But again, we have a very difficult time in being able to take those programs that we develop and actually put them into action. So I think that's the missing piece. That takes additional resources—not just money but also human resources and additional space that we're often lacking because there are so many competing demands on the health care system. I think the benefit of this bill is providing dedicated funds and a focus on this particular issue and on women's health in general, and that will go a long way to supporting all sorts of initiatives in women's health, such as the one that you described, and also more within maternity care as well.

Mr. Peter Z. Mileczyn: MPP Mike Colle, who sponsored Bill 141, really did an amazing job of bringing

this issue to all members of the Legislature and securing unanimous support for an issue which did not receive enough attention before. So you certainly can go away with the knowledge that there is all-party support for pursuing more education and more support in this area, and certainly supporting you in some very innovative work that you're doing in your community, and I want to thank you for that.

The Chair (Ms. Soo Wong): Ladies, thank you so much for your presentation. You still have until February 2 at 5 p.m. to submit your written submission to the Clerk. Thank you so much for being here. We really appreciate you taking the time to be here, and thank you, Doctor, and all your colleagues, for doing great work to protect women across northwestern Ontario.

UNIFOR LOCAL 229

The Chair (Ms. Soo Wong): The next presenter is Unifor Local 299. The Clerk has some written submissions here. Good afternoon, ladies. Welcome. The Clerk is coming around with your presentations. You probably heard that you have 10 minutes for your presentation, followed by five minutes of questioning. In this round, questioning will be coming from the official opposition party. Ms. Jefford and Ms.—is it Pulice?—welcome. You may begin at any time. Please identify yourselves for the purpose of Hansard when you begin. Thank you.

Ms. Kari Jefford: Thank you. My name is Kari Jefford. I'm the president of Unifor Local 229 here in Thunder Bay, serving members right across northern Ontario.

Ms. Suzanne Pulice: Suzanne Pulice, vice-president of Unifor Local 229.

Ms. Kari Jefford: If you folks want to follow along, that's great. I appreciate it. It's probably very long at the end of the day, but you're going to be just so excited for our presentation; I just know it.

Good afternoon, chairpersons and guests. My name is Kari Jefford, president of Unifor Local 229, and with me, again, is Suzanne. She's going to begin.

Ms. Suzanne Pulice: "I am a 47-year-old woman with MS. I also suffer from COPD and diabetes. I require assistance with feeding, toileting, bathing, dressing and I am bound to a wheelchair. My diabetes is often not controlled, causing further damage to my legs. I am often angry, frustrated and depressed.

"I don't have family support and I have no income other than ODSP. I live in a municipal long-term-care facility. I share a room with an 86-year-old woman who suffers from dementia and she is often confused, angry and physically aggressive to me and other residents.

"I often feel lonely, angry and sad. I don't have access to outings. The other residents in my long-term care are nothing like me. I don't feel supported and most days I feel like a burden to the nursing staff.

"The nursing staff in my home each have more than eight residents to care for. They help get me out of bed,

wash, feed and dress me. I know I have a choice in how and when I get dressed and out of bed. But I also know that my choices affect the nursing staff and the other residents.

"I have to be honest, I can be very demanding and verbally abusive to the staff. I don't want to be here. I want the level of care I deserve and I feel I don't belong in a home with 120 aging residents who I have nothing in common with.

"Where am I to go? I can't afford for-profit assisted living homes. I will live for many years only to die in a home that is understaffed, underfunded and which was meant to care for residents not able to care for themselves at the end stages of their life. I need help. I need more appropriate care. I need proper funding appropriate for people like me."

"My husband is 88 years old. He worked in the forestry sector for more than 47 years. He suffers from Alzheimer's. I cared for him in our home for the past nine years as his disease progressed. I have no pension as I was a stay-at-home mom supporting our three children.

"He lives in a private for-profit long-term-care home. I visit him each day at lunch time. I do this because I try my best to help the nursing staff and to ensure he eats at least his meal once a day.

"My husband has been physically aggressive to residents, but also to nursing staff. His aggression is not predictable. Last summer he was being washed up at his bedside by a PSW. He was not acting out physically or verbally. The PSW was drying his face with a hand towel. He grabbed the hand towel and wrapped it around her throat and began choking her. After a few moments the PSW was able to break free. She was bruised and I really love the PSW and how she cared for him. It has been months and I have not seen her at work. I am devastated for her.

"He needs more specialized help. I know this is not the only incident of abuse he has committed but this is the only incident that was reported and acted upon.

"I spend a lot of time at the home. I witness daily physical and verbal abuse by residents to residents and to staff. I really feel that the staff accept the behaviour as part of the job. This makes me feel so sad. We need more staff, more specialized treatments and support for our residents and we need it now."

Ms. Kari Jefford: "I am a 31-year-old aboriginal woman and mother of four. I suffer from drug and alcohol addiction, depression and I am from a reserve outside of Thunder Bay. My children live on reserve in the care of Dilico's children's services.

"I am homeless. I can't get housing because I am homeless. Because I am homeless I can't get financial support to try and get housing. I have tried treatment three times in the last two years. Often I have not been able to enter treatment because of the waiting lists. I have no address or phone to communicate with these agencies.

"More than two times per week I am picked up by ambulance because the police say I am too 'high' to be wandering on the street. I spend the day or night in the

hospital emergency department until they say I can leave. Where can I go? The SOS team picks me up and takes me to the shelter and then I am back on the street to start the cycle again.

"I wonder, if I could get treatment, housing and after-care support as well as mental health treatment, where could I be and what would that mean to the people waiting in the emergency room and the staff who work there? More importantly what would that mean to me, my family and our community? I need help, I need more services, I need proper services and financing to prevent this ongoing cycle."

1530

"I am a PSW working part time in a not-for-profit home. I see what we can do to make people's lives better. When we are not working short I have 14 residents a day to dress, feed, toilet and get in and out of bed. On the morning of my day shift, between 7:30 and 9, I need to get 14 residents up, toileted, out of bed, cleaned, dressed and downstairs for breakfast. If all goes as planned and all residents choose to get up, dressed, cleaned and moved downstairs for breakfast, I will have 90 minutes to get this done. This means each resident gets six minutes and 42 seconds of hands-on care.

"Sometimes I hate coming to work. We often work short. Even working with a full staff complement how on earth can I properly care for my residents? Most of them have no family or friends. Most of my residents are aging, living longer, but have many complex needs that they did not have 10 years ago. They require more care, more interventions and more recreation and most importantly more dignity and respect. They are lonely, they have nothing to look forward to. It is like working on an assembly line: Get up, get toileted, get dressed, get fed, get put back in a room, get fed, get put back to bed, get up, have a snack, then a bath twice a week, get fed, get undressed, get put back to bed, have a snack, lights out, start again.

"I have no time to really care for my residents. It hurts me and it hurts them. Most of the time, I don't take my lunches or breaks. Often, I am assaulted physically by my residents. I am spit on, punched, kicked, scratched, they pull my hair—this happens daily. I understand why they do this; I don't ever want to be a resident in a long-term-care home."

"I am an RPN working at a complex-care rehab hospital. I have been an RPN for 28 years. This is what the first 90 minutes of my day looked like yesterday.

"I have six patients in a rehab unit. It is a day shift and five of my patients have appointments outside of the hospital today. I need to feed, dress, toilet and get my patients ready for their transportation. I need to update their charts, arrange for transportation, do a med pass and also care for my sixth patient as he is presenting symptoms of an infection. I need to call the doctor, follow his orders and update all of the above. I have six patients and in 90 minutes I have 15 minutes to accomplish all of this. The increase in complex medical conditions of my patients has increased over the past 10 years. I see the

level of bedside nursing care has plummeted down to dangerous and heartbreaking levels. There is so much that can be done, there is so much that must be done, but I am tired, I can't do this any longer. I am leaving nursing and, sadly, I am leaving my patients behind."

I am a local union president. These examples are actual accounts experienced and reported by members of Unifor Local 229. My local is primarily made up of health care workers in hospitals, long-term care, retirement homes, paramedics, home care workers, education, mental health and addictions, and child care centres. I work full time in the local union office alongside four other full-time service reps. We have 51 workplaces representing more than 3,500 members.

In 2015 our reps attended 732 investigations of abuse, opened 217 files supporting workers injured on the job, seven reported cases of domestic violence, assisted more than 47 members who have reported to the union that they suffer from mental health and addictions and lost at least one member to suicide. These are our stories. These are important stories and indicators that our health care system is in crisis. Please help my members to properly take care of all of Ontario with the dignity and respect that we all deserve.

Health care in Canada, especially in Ontario, is not representing real-life situations. Employers must navigate extreme funding contracts. There is a lack of for-profit accountability to the LHIN and ministry. There is no minimum standard of care in Ontario for long-term care. It seems as though there is a real disconnect between funders, employers, workers and patients/residents.

The lack of health care funding lies with evidence-based facts. Evidence-based facts need to include real-life situations. We demand and deserve fair funding policies in health care that reflect the realities of those accessing it. We need to look at the full picture when assessing levels of care, including what happens prior to or after care. We need to speak to the floor staff, the residents and their families about what they need. We also need to have open, honest conversations with service providers who know there are gaps in the system and real solutions.

Looking at the cost as a whole to health care needs to include other services, or lack of support and services, and how that impacts funding from other ministries.

Most importantly, we are recommending the following:

—amend the Long-Term Care Homes Act to include four hours per resident per day of hands-on nursing care;

—provide immediate funding for patients or residents in hospitals, long-term care for specialized assessment and treatment for potentially or aggressive behaviours, and also increase funding to staff and specialized training for staff—

The Chair (Ms. Soo Wong): Sorry, Ms. Jefford. Can you wrap up, please?

Ms. Kari Jefford: I've only got three more little lines.

The Chair (Ms. Soo Wong): Okay, quickly. Thank you.

Ms. Kari Jefford: Ensure publicly funded service providers publicly report staffing levels;

—increase funding of complex care beds, ALC and rehab beds in hospitals and, further to this, ensure hospital referrals and transfers between providers are being facilitated in a timely manner, freeing up acute beds for which they are designed;

—stop downloading inappropriate referrals as hospital patients to long-term care. We need the right treatment for the right patient by the right provider at the right time;

—accountability from funded agencies to the ministry and public by those providing these services, to ensure funding is utilized appropriately for patients accessing these services—

The Chair (Ms. Soo Wong): Okay, Ms. Jefford, I'm going to be very clear: You have finished. I'm going to turn it to Mr. Barrett to start this round of questioning. Thank you.

Mr. Toby Barrett: Yes, we've run out of time. Do you want to just read number 6 into the record? Is that the one you haven't read yet?

Ms. Kari Jefford: Well, I read it. Accountability from funded agencies to the ministry and public by those providing these services, to ensure funding is utilized appropriately for patients accessing or requiring these services.

Thank you.

Mr. Toby Barrett: Okay. I'd like to focus on the recommendations, going back to number 1, if you just want to flesh it out a bit: Amend the long-term care act—which may not be necessary; it may require just regulation—to include a minimum of four hours per resident; Do we know what it is now?

Ms. Kari Jefford: Back in the 1990s, the Tory government at the time had taken out the legislative part where we used to have a minimum standard of care for people living in long-term care, so there is no legislated minimum standard of care as we stand now.

Depending on the type of home people are in—for-profit, not-for-profit and private, municipally funded—you'll see devastating differences in the types of care being provided.

Mr. Toby Barrett: Oh, no question. Further to what you just said, we built 20,000 long-term-care beds. We were going to go on and go at—what were they?—the B beds or the C beds, and the privately funded ones. We lost that election. Not much has happened since, and it has been, what, 13 years.

Ms. Kari Jefford: Well, a lot has happened. There has been a huge increase in the needs of the care, and the funding is not matching the needs.

Mr. Toby Barrett: No, I'm saying the beds haven't been built. That's what I'm saying.

Ms. Kari Jefford: That's right. Yes.

Mr. Toby Barrett: Maybe they have in Thunder Bay.

Ms. Kari Jefford: No.

Mr. Toby Barrett: Any brand new long-term-care facilities?

Ms. Kari Jefford: Well, we do, but we closed two other facilities. Two municipal homes closed—we're

right in the middle of it, actually—and a new facility was built. There was an increase of 20 beds.

Ms. Suzanne Pulice: Yes, something like that.

Ms. Kari Jefford: Twenty beds, and you're looking at a 532-bed unit, so there was an increase of 20 beds.

Mr. Toby Barrett: Yes. Jeez, Thunder Bay should have gotten more than 20 beds, because 20,000 beds were built.

Ms. Kari Jefford: Well, all of Ontario should have the opportunity for more beds and a better funding model to provide for care for those people.

Mr. Toby Barrett: Recommendation 2, specialized assessment and treatment, which isn't bricks and mortar—yes, aggressive behaviour: Has there been an inquiry recently on this? I'm trying to remember.

Ms. Kari Jefford: There have been. There was one not too long ago where there was a death, a homicide, in a long-term-care facility of a resident to a resident. But we would definitely argue that close to 90% of the physical assaults, especially from resident to staff, go unreported—daily, daily, unreported. It really starts to take a toll.

When I speak to those examples, those are real-life examples. We're still working with that member who was choked, physically choked, and was choked the week before, but not to that degree, and reported it, and all of that.

But at the end of the day, the residents in these homes don't match what the staffing levels and what the regulations are to prevent these kinds of things from happening.

Mr. Toby Barrett: Yes. Number 3: more openness and transparency, I'm assuming we're saying here.

Report staffing levels: I guess you could find them, if you phoned the institution, but—

Ms. Kari Jefford: Yes. Well, they won't give them to you, and the staff are told they're not allowed to. When family members ask, "Are you short-staffed today?" our members are told that you're not allowed to report that.

We know the staffing levels, because we service those units. I know the difference between a municipal home—the staffing levels are drastically different than in a private, for-profit home. But if that mechanism was in place, and people, family members, the public and the ministry could see those numbers—the staffing levels here are 14 to 1 or 28 to 1. Those are scheduled staff; that's not even including when someone is working short.

1540

Mr. Toby Barrett: Like you say, it's public dollars. I know. I used to teach high school. Back in the day, the staffing levels, the name and the salary were always listed every year because it's public money. I don't see that anymore. Anyway, that's a different issue.

So number 4, inappropriate use of hospital spaces and rehab: I know we've had presentations here on hospice care, home care and other alternatives, as well, to free up acute beds—

Ms. Kari Jefford: The way that the system is set up right now, we know that there are 32 patients at the regional who are ALC, so they are waiting for long-term

care. Those beds are being tied up by people who aren't appropriate for the care that they're providing, which costs the province a huge amount of money. But a lot of those folks are resistant to going in. This isn't personal, but we hear, "I don't want my family member to go to this facility," "I won't go to this facility," or "There is no way I'm going to this facility." In turn, they're waiting in hospital because they refuse to go to some of those care providers, and rightfully so, I think, arguably so. This is costing the province three times what it should.

The Chair (Ms. Soo Wong): Okay, I need to stop you here. Thank you, ladies, for your presentation. Your written submission is very well done. That's why I wasn't worried if you were not going to read it into the record, because we all have a copy. Thank you.

Ms. Kari Jefford: All right, thank you.

The Chair (Ms. Soo Wong): Thank you for your written submission and your presentation.

Now, I believe Mr. Fedeli has a motion.

Mr. Victor Fedeli: Chair, I am seeking unanimous consent for the committee to hear Mr. Jules Tupker.

The Chair (Ms. Soo Wong): Okay. There's no debate on this question. I'm just going to call the question. It has to be unanimous before it can go forward.

Do we have unanimous consent on this particular motion? All right.

THUNDER BAY HEALTH COALITION

The Chair (Ms. Soo Wong): Mr. Jules Tupker, from the Thunder Bay Health Coalition: Welcome, sir. If you have a written submission, the Clerk will pick it up and he can circulate it. You can sit down and do the presentation. Okay?

As you heard earlier, gentlemen, you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from Ms. Fife, from the third party. You may begin at any time. Please identify yourself. Thank you.

Mr. Jules Tupker: Thank you very much for allowing us this opportunity. I apologize for putting you in this position. I had applied, and I found out that I had applied to the wrong group. I made a presentation the other day. Thank you very much for allowing us to do this.

My name is Jules Tupker, and I am co-chair of the Thunder Bay Health Coalition. With me today is Ed Arvelin, who is also a member of our coalition. The Thunder Bay Health Coalition is a public advocacy non-partisan organization made up of community groups, individuals and unions who are committed to maintaining and enhancing our publicly funded and publicly administered health care system. We work to honour and strengthen the principles of the Canada Health Act and medicare.

The Thunder Bay Health Coalition is here today to provide some information on health care issues here in Thunder Bay and in Ontario and to offer some suggestions to the Liberal government so that it can prepare a

budget that provides the proper measures to implement effective health care in Thunder Bay and Ontario.

Hospital and long-term care: The Thunder Bay Regional Health Sciences Centre, the hospital here in Thunder Bay, was built to serve as a hub for all of northwestern Ontario. Since its opening, the hospital has been experiencing overcrowding of its emergency department, resulting in an almost continuous gridlock situation. The reason for this situation is that there is a constant backlog of patients waiting in the hospital for alternative levels of care. You just heard that from the previous speakers. Patients are in beds in corridors, alcoves and examining rooms.

The hospital was built to hold 375 beds, but because of the gridlock situation, the hospital renovated lounges, that were designed to provide a peaceful retreat for patients, into patient rooms so that the hospital now has 395 beds available for acute care patients. The provincial government funds the hospital for those 395 beds. In reality, however, the hospital on a regular basis has well over 400 patients in beds every day. This means the hospital is spending thousands of dollars per day that it is not receiving in funding from the government.

This overcrowding in the emergency department and the rest of the hospital has resulted in an unsafe condition in regard to fire safety and caused stress on the staff. The overcrowding has also resulted in very long waits and turnaround times for ambulances, as they have to wait to off-load patients because there are no beds available in the emergency department. The backlog of ALC patients in acute care beds is a drain on nursing staff, who trained to care for acute care patients, and it is unfair to the patients who require special care and treatment that can be provided in a long-term-care home but cannot be met in an acute care situation. ALC patients should be in their homes, or in a facility that serves as their home, and not in a temporary bed in a hospital.

The Ontario Health Coalition, in its 2015 Code Red: Ontario's Hospital Cuts Crisis document, revealed that an Ontario Hospital Association survey from November 2014 provided the following statistics on alternate-level-of-care patients. On November 30, 2014, there were 4,165 patients designated acute or post-acute ALC; 45% of these patients, or 1,874, were awaiting long-term-care placement. Almost 1,000 of these ALC patients were waiting for another type of hospital bed—complex continuing care, rehabilitation, palliative care, convalescent care, mental health care or other care—and approximately 600 were waiting for home care. About one quarter of the ALC patients were actually waiting for a hospital bed; almost half were waiting for long-term-care placement, but there are either no spaces or their care needs are too great for any of the spaces available. Even if all patients waiting for long-term-care placements for ALC were discharged, Ontario would still have too few hospital beds to be safe.

As you can see, our hospital is not unique in the province. Hospitals all across the province are facing similar situations and are being forced to cut services.

They're looking to off-load services to private clinics in order to make ends meet. The Ontario Health Coalition, in its Code Red document, lists numerous hospitals throughout the province that have had cuts to their budgets, resulting in the closure of many services throughout the province, and northern Ontario is no exception. The hospitals in New Liskeard, Timmins, North Bay, Sault Ste. Marie and Geraldton have seen the cancellation of numerous services, the closures of beds and the layoff of staff. Luckily, through the good management of our hospital, our hospital has been able to continue to operate without having to take any actions like those in the above-mentioned hospitals, although, with no funding increase over the past four years and an annual cost-of-living increase of about 2% a year, the hospital has suffered the loss of probably over \$9 million in funding.

Why is there overcrowding and a backlog in our provincial hospitals and why are there these closures and layoffs across the province? The answer is quite simple: The government has been and still is underfunding the health care system. Hospital funding in Ontario is the second-lowest of any province in Canada. Last year, Ontario was funding hospitals to the tune of \$1,419 per person. The average for all of Canada was \$1,920. Funding in our public health care in general as a percentage of provincial GDP in Ontario in 2012, which is the last number that we actually have data on, was the third-lowest in all of Canada. We are unaware of any change in the situation at this time.

I'll turn it over to Ed.

Mr. Ed Arvelin: Good afternoon. I promise I won't keep you long. I won't read from this because you already have it. I'm just going to touch on it quickly. If there are questions, then Jules can wrap up.

My name is Ed Arvelin. I'm a registered practical nurse. I've worked for 20 years at Lakehead Psychiatric Hospital. I also chair the mental health division for OPSEU, which represents about 9,000 members across the province in institutions and in community mental health associations.

In the 1990s, there was a restructuring commission that went around and looked at servicing our regions and regions across Ontario. They chose the pathway to deinstitutionalize mental health services. With that, the Lakehead Psychiatric Hospital was slated to close. By doing that in our community, we fragmented a whole lot of the services. What happened was that our community programs were not ready. There were some. There were ACT teams created and there were different services provided, but the sheer amount that was involved with deinstitutionalizing a central hub like the LPH created a big bottleneck, not only in our crisis responses, our emergency services and our emergency departments and our acute beds at the hospital that we had left—it created a strain and severe burnout. A lot of bad things happened, unfortunately. We created criminalization within the mental health—members not getting services.

We work closely with our corrections and with OPSEU. I think, in the last reports that I've seen, there

were roughly about 40% of males in institutions suffering from mental illness and it skyrockets to 80% of females within the institutions with a mental health illness. Could these be diverted through central hubs or having these institutions remain open? I don't know. I like to think so, because the numbers have skyrocketed since the closure.

1550

With that, that's in a nutshell the mental health system in Thunder Bay. We need more community resources if we're going to continue with this process of deinstitutionalizing and only creating a small pocket of acute care beds. Currently, at our regional hospital, those are our only acute care beds that are going to be left open.

There's a 38-bed build for St. Joe's to deal with psychosocial rehabilitation that is going to be designated as form 1 security. So we'll have the ability to lock a portion of the floors, but it's not designed to take acute patients into those 38 beds. It's going to create a bottleneck and it's going to create the flow to our regionals. It's going to put the pressure on our emergency departments and it's going to bottleneck, unfortunately.

That's where we're at, so we're looking at a re-plan, a re-jig, and to come back and renew a 30-year plan that was set forth back in the 1990s. Maybe we need to take a look—we look further north than us, and the suicide rates in some of our northern communities are epidemic. If those rates were in southern Ontario, I'm sure they'd be calling a moratorium on something. It's horrible.

Currently, there have been plans put in place, some Band-Aids put on with some supports, that when people go in and there's a situation, they go in and do counselling. But it's a Band-Aid. We need to put the supports in place, create the pathways and stop the duplication of services and get people talking, which would be the central hub for mental health services in the north.

That's mine.

Mr. Jules Tupker: Thanks, Ed.

We are well aware of the financial situation that the province finds itself in, and although this situation was partially self-inflicted by the past Liberal government and by the policies of the previous Conservative government, we also know that since 1995, the province of Ontario has led the country in corporate and personal income tax cuts that have benefited primarily the wealthiest individuals and corporations. Ontario ranks among the lowest corporate tax jurisdictions in North America and continues to propose corporate tax cuts—

The Chair (Ms. Soo Wong): Mr. Tupker, can you wrap up, please?

Mr. Jules Tupker: Yes, okay. All right. I'll skip that.

The Chair (Ms. Soo Wong): Because you have a written submission. I do want Ms. Fife to ask you the questions.

Mr. Jules Tupker: All right. I have to conclude. Do you want me to go through the conclusions?

The Chair (Ms. Soo Wong): No. I'm not going to let you do the conclusion.

Mr. Jules Tupker: Good enough.

The Chair (Ms. Soo Wong): I'm going to turn to Ms. Fife. Ms. Fife, you have five minutes to ask questions.

Ms. Catherine Fife: Thank you to both of you. I'm glad we actually heard from you. The coalitions across the province have been very mobilized. Thank you for being onsite and for pulling people together. We want people to be engaged in where health care is going. It's something that affects everybody in the province of Ontario. There are solutions out there.

Jules, I want to give you an opportunity to go through where you think the funding changes to the following areas are necessary so that—because this is the finance committee, right?

Mr. Jules Tupker: Right. Thank you very much. I'll just go straight to the points that we've got here.

The Thunder Bay Health Coalition suggests that funding changes to the following areas are essential:

—Hospital funding must increase to at least the average of the other provinces, which, according to the latest figures, would require an increase of approximately \$500 per person.

—Increase funding to long-term care to provide for more beds and enable homes to provide an average minimum of four hours of personal care per resident, which reflects back to the previous group that was talking to you about the problems in long-term care.

—Increase funding for all mental health programs to ensure that proper treatment and care is provided for all of our citizens, and you heard Ed talking about some of the problems that we're having here.

—Tax loopholes for corporations should be closed and taxes to corporations should be increased to provide revenues for public services like health care.

Again, we know that corporations are taxed very low. A number of years ago, back 20, 30 years ago, their tax rates were very much higher and yet they were very successful; they were making lots of money and they didn't seem to be complaining then. So we feel that even a small tax increase to corporations would provide the funding that we're looking for to help improve health care in the province.

Ms. Catherine Fife: Thank you very much for those recommendations. I just want to thank you for raising the issue of mental health; you're absolutely right. And Jules, you introduced me to the woman who shared her personal story with me. You are absolutely right around the criminalization of those who are suffering from mental illness. I have toured a number of jails now, and that is not where they should be. It's exactly the wrong place. There's no compassion or even any integrity there.

Thank you very much for your presentation.

Mr. Jules Tupker: Thank you.

The Chair (Ms. Soo Wong): Thank you very much, gentlemen, for your presentation and your written submission.

Mr. Jules Tupker: And again, thank you all very much for allowing us to speak. We really appreciate it.

The Chair (Ms. Soo Wong): Ladies and gentlemen, we're going to adjourn. We're heading to Sault Ste. Marie at 9 a.m. tomorrow morning.

The committee adjourned at 1555.

Continued from back cover

Association of Municipal Managers, Clerks and Treasurers of Ontario	F-1029
Mr. Chris Wray	
Mr. Rick Johal	
Thunder Bay Regional Research Institute	F-1032
Ms. Brittany Sanche	
Dr. Naana Jumah	
Ms. Debra Bishop	
Unifor Local 229	F-1034
Ms. Kari Jefford	
Ms. Suzanne Pulice	
Thunder Bay Health Coalition	F-1037
Mr. Jules Tupker	
Mr. Ed Arvelin	

STANDING COMMITTEE ON FINANCE AND ECONOMIC AFFAIRS

Chair / Président

Ms. Soo Wong (Scarborough–Agincourt L)

Vice-Chair / Vice-Président

Mr. Peter Z. Milczyn (Etobicoke–Lakeshore L)

Mrs. Laura Albanese (York South–Weston / York-Sud–Weston L)

Mr. Yvan Baker (Etobicoke Centre / Etobicoke-Centre L)

Mr. Toby Barrett (Haldimand–Norfolk PC)

Mr. Victor Fedeli (Nipissing PC)

Ms. Catherine Fife (Kitchener–Waterloo ND)

Ms. Ann Hoggarth (Barrie L)

Mr. Peter Z. Milczyn (Etobicoke–Lakeshore L)

Ms. Daiene Vernile (Kitchener Centre / Kitchener-Centre L)

Ms. Soo Wong (Scarborough–Agincourt L)

Clerk / Greffier

Mr. Katch Koch

Staff / Personnel

Ms. Mercedes Lee, research officer,
Research Services

CONTENTS

Wednesday 20 January 2016

Pre-budget consultations	F-983
Centre for Research and Innovation in the Bio-Economy.....	F-983
Mr. Scott Wiebe	
Mr. Doug Murray	
City of Thunder Bay.....	F-985
Mr. Keith Hobbs	
Mr. Norm Gale	
Mr. Brian McKinnon	
Northwestern Ontario Municipal Association.....	F-988
Mr. Iain Angus	
Ontario Dental Association	F-991
Dr. Jerry Smith	
Poverty Free Thunder Bay	F-993
Ms. Erin Bottle	
Ms. Ann McGuire	
Ms. Virginia Necan	
Northwestern Ontario Associated Chambers of Commerce	F-995
Mr. Nathan Lawrence	
Thunder Bay Chamber of Commerce	F-997
Ms. Charla Robinson	
Resolute Forest Products.....	F-999
Mr. John Valley	
Ontario Forest Industries Association	F-1002
Ms. Jamie Lim	
Thunder Bay Home Builders' Association	F-1004
Mr. John Simperl	
Thunder Bay Regional Health Sciences Centre	F-1006
Dr. Bill McCready	
Ontario Public Service Employees Union, Local 737.....	F-1008
Mr. Michael Lundy	
Mr. Gregory Arnold	
Lakehead University	F-1011
Dr. Brian Stevenson	
Thunder Bay Symphony Orchestra Association	F-1013
Mr. Paul Inksetter	
Mr. Shannon Whidden	
Hospice Palliative Care Ontario.....	F-1016
Ms. Marg Poling	
Ontario Medical Association.....	F-1018
Dr. Jon Johnsen	
Town of Atikokan	F-1021
Mr. Dennis Brown	
Mr. Russell Hull	F-1023
Thunder Bay Counselling Centre.....	F-1025
Ms. Nancy Chamberlain	
Ontario Public Service Employees Union.....	F-1026
Mr. Gord Longhi	

Continued on inside back cover

F-34



F-34

ISSN 1180-4386

Legislative Assembly of Ontario

First Session, 41st Parliament

Assemblée législative de l'Ontario

Première session, 41^e législature

Official Report of Debates (Hansard)

Thursday 21 January 2016

Journal des débats (Hansard)

Jeudi 21 janvier 2016

Standing Committee on Finance and Economic Affairs

Pre-budget consultations

Comité permanent des finances et des affaires économiques

Consultations prébudgétaires



Chair: Soo Wong
Clerk: Katch Koch

Présidente : Soo Wong
Greffier : Katch Koch

Hansard on the Internet

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. The address is:

<http://www.ontla.on.ca/>

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 416-325-3708.

Le Journal des débats sur Internet

L'adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance est :

Renseignements sur l'index

Adressez vos questions portant sur des numéros précédents du Journal des débats au personnel de l'index, qui vous fourniront des références aux pages dans l'index cumulatif, en composant le 416-325-7410 ou le 416-325-3708.



LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRSCOMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Thursday 21 January 2016

Jeudi 21 janvier 2016

The committee met at 0930 in the Delta Waterfront Hotel, Sault Ste. Marie.

PRE-BUDGET CONSULTATIONS

The Chair (Ms. Soo Wong): Good morning. Welcome to Sault Ste. Marie. We're going to resume the Standing Committee on Finance and Economic Affairs. It's the pre-budget consultations.

ESSAR STEEL ALGOMA INC.

The Chair (Ms. Soo Wong): The first witness before us is Essar Steel. Is she here? Thank you. Welcome.

Ms. Brenda Stenta: Thank you.

The Chair (Ms. Soo Wong): I believe we have Brenda Stenta here.

Ms. Brenda Stenta: Yes.

The Chair (Ms. Soo Wong): Welcome. As you probably heard—have a seat—you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will begin from the official opposition party. When you begin, Ms. Stenta, you need to identify yourself for the purposes of Hansard. You may begin any time.

Ms. Brenda Stenta: Thank you very much. Essar Steel Algoma certainly appreciates the opportunity to present our recommendations to the Standing Committee on Finance and Economic Affairs.

I'm Brenda Stenta, manager of corporate communications with Essar Steel Algoma. We're a four-million-tonne integrated steel manufacturer based here in Sault Ste. Marie. We employ approximately 2,700 people and we support a further 6,400 pensioners and their dependents. On average, we spend \$1.2 billion annually on goods and services, of which \$120 million is spent with more than 600 businesses locally. As a leading producer of advanced steel products, we are an integral supplier to major sectors of the economy such as automotive, energy, construction and light manufacturing.

We are also a leading consumer of energy and transportation services in the province of Ontario, amounting to an annual spend on electricity and natural gas in the range of \$80 million to \$100 million each year, and inbound and outbound freight volumes totalling an average of 24,000 trucks, over 18,000 railcars and approximately 350 vessels.

Today we're facing a crisis in the Canadian steel industry, one that has serious ramifications for everyone, not only here in Sault Ste. Marie and the region, but extending to communities across this country where 20,000 men and women are directly employed in the manufacture of steel. Two of Canada's largest steelmakers, of which Essar Steel Algoma is one, are currently operating under the Companies' Creditors Arrangement Act. Others, including Tenaris locally, have undertaken massive layoffs in response to the dire market conditions. Steel prices are at a 12-year low, hard hit by the collapse of world steel demand and a sustained slump in the energy sector. This has prompted a flood of low-priced imports into the Canadian market by international competitors who are not constrained by the same labour and environmental costs. In many cases, these companies are state-owned or subsidized by their governments.

We are currently building a plan and seeking partners that will enable us to emerge from CCAA a stronger, more sustainable, business. We are aggressively tackling those factors that we can control, but we also need public policies that will help us maintain a viable business model, one that allows us to attract and keep investment in Ontario, strengthening our industry and our customers. Specifically, we need:

- a strong manufacturing customer base;
- environmental standards that don't disadvantage us with competing jurisdictions;
- manageable operating costs and equal opportunity to supply into the Ontario marketplace; and
- support for skilled trades and the development of our workforce.

With respect to a pro-manufacturing agenda, the manufacturing base in Canada and here in Ontario is shrinking. This is our largest domestic customer. We, along with our customers, are seeking pro-manufacturing policies to strengthen all industrial sectors, the driver of much economic and employment strength in Ontario.

Steel is an essential part of the supply chain for key industrial sectors in Ontario. Three quarters of all manufactured goods contain steel, and thanks to continuous improvement and innovative new technologies, more than half of the steel grades that we manufacture today did not exist 15 years ago.

As Ontario manufacturers strive to remain competitive, we must continue to invest in industrial innovation. Funding assistance through the Northern Ontario Herit-

age Fund and through the Ministry of Northern Development and Mines is greatly appreciated and will go a long way in enabling us to make important investments in our steelworks, increasing our productivity and capability, and enabling us to expand our reach into new and growing markets.

As we look to remain competitive within the North American marketplace, manageable operating costs and a level playing field in the domestic market are important. On the energy front, electricity remains one of our leading operating costs. We commend the government on the continuation of the Northern Industrial Electricity Rate Program. The NIER Program is very important to northern Ontario businesses, as it helps us to compete while achieving greater efficiency in energy consumption. We support responsible resource development and we encourage you to deliver policies that keep the cost of industrial electricity competitive so that we can preserve Ontario jobs and attract investment.

With respect to environmental performance, steel is both energy-intensive and trade-exposed. Credit under a cap-and-trade regime for greenhouse gas reductions already made and recognition of fixed-process limitations would be positive measures toward ensuring Canadian steel producers are not competitively disadvantaged.

Infrastructure and government procurement represent a significant opportunity to drive economic growth. For the steel industry, infrastructure investments offer two distinct benefits. First off, they facilitate the movement of inputs in and out of our facility, while allowing our products to get to market competitively and without excessive time delays. Secondly, infrastructure and construction is one of our largest market segments. In Canada, we face open competition from imports for government procurement projects, yet we would face outright barriers or restrictions when we look to participate in projects in the US and elsewhere.

We support free but fair trade, and we encourage the government to exercise their rights in trade agreements to establish Canadian preference policies. Foreign steels have, on average, carbon footprints more than six times that of Canadian steel. To the extent that the government is seeking to reduce its environmental impact, we believe it should look to maximize the use of Canadian steels in infrastructure projects or, at the very least, hold foreign suppliers to the same environmental standards that we as Canadians value and that we as Canadian manufacturers must adhere to.

Ontario employers, both public and private, cannot compete with pension funding regimes in neighbouring jurisdictions. Global businesses see Ontario as one of many geographies where they can conduct business; however, they will not invest where pension regulations impose such a heavy burden on a company's cost structure. In addition to this competitive disadvantage, funds allocated by Ontario businesses to pension funding cannot be used to invest in operations, improve productivity or create jobs. It has been our experience that lenders charge more or simply refuse to lend to busi-

nesses whose cash flows are committed to pension solvency funding, and this drives up the cost of capital for Ontario businesses.

Ontario's strict solvency funding requirements, which were introduced in the late 1980s in a very high interest rate environment, have paradoxically decreased retirement income security in Ontario today. The burden of pension funding has caused a dramatic decline in defined benefit pension plan coverage as companies have closed their plans, replacing them largely with defined contribution plans. They have also reduced the competitiveness of the remaining defined benefit plan sponsors, contributing to a decrease in Ontario business investment and employment opportunities, as profoundly evidenced in the manufacturing and steel sectors.

We believe a viable plan sponsor is the best source of pension benefit security. When pension funding requirements threaten that viability, those funding requirements no longer serve their purpose.

We commend you and your government on your proactive review of current solvency funding rules for defined benefit pension plans. We believe your focus on plan sustainability, affordability and benefit security is appropriate, and we have a few recommendations. We recommend the Ontario government, in the short term, extend the amortization period for solvency deficiencies to 10 or, preferably, 15 years and retain the current permitted smoothing of solvency interest rates. These steps will help mitigate the immediate crisis, but they only treat the symptoms.

0940

As we look for more sustainable solutions for affordable, secure plans, we need to look at alternative design options that other jurisdictions and sectors have adopted with increasing success:

—Quebec's new funding regime has eliminated solvency funding altogether and replaced it with enhanced going-concern funding. This structure effectively recognizes pension plans' long-term characteristics.

—The United States funding regime similarly does not require solvency funding—

The Chair (Ms. Soo Wong): Ms. Stenta, can you please wrap up? Thank you.

Ms. Brenda Stenta: Certainly. I understand that everyone has a copy of our presentation.

The Chair (Ms. Soo Wong): Yes. If you could just wrap up in one sentence, and then I'm going to go to the opposition side to ask you some questions about your presentation.

Ms. Brenda Stenta: Absolutely. Thank you for your time and the opportunity to provide our input. I'd be pleased to answer any questions you may have.

The Chair (Ms. Soo Wong): Before I turn it over to Mr. Barrett, I'm going to welcome Minister Oraziotti, who is joining us this morning at the pre-budget consultations in Sault Ste. Marie. Welcome, Minister.

Hon. David Oraziotti: Thank you, Chair.

The Chair (Ms. Soo Wong): Okay. Mr. Barrett?

Mr. Toby Barrett: Thank you, Chair. I want to welcome Michael Mantha as well.

The Chair (Ms. Soo Wong): Oh, I'm so sorry. My apologies.

Mr. Michael Mantha: I lost some weight. You probably missed me.

The Chair (Ms. Soo Wong): You look fantastic. I'm so sorry. I also want to welcome our colleague Mike Mantha, MPP for—which riding?

Hon. David Oraziotti: Algoma—Manitoulin.

The Chair (Ms. Soo Wong): Algoma—Manitoulin. That's right; I remember. Welcome and thank you for being here. Mr. Barrett?

Mr. Toby Barrett: Thank you again, Chair. Thank you very much to Essar for coming before this committee. To use your words, we do have a crisis in the Canadian steel industry, not only at Essar Steel but also Algoma, as I mentioned earlier, and, as you would know, at US Steel Canada, both at the Hamilton Hilton works and the Lake Erie works, which are located down in my riding of Haldimand—Norfolk and are also under the companies' creditor protection arrangement.

I appreciate your comments on pensions. You talk about skilled trades in here; you talk about the need for a more fair procurement policy with respect to markets for steel. Dumping is kind of a long-term issue. But in the short run, given the crisis, in my view, we need to continue to keep making steel. When the going gets tough, you just keep going. People want to work. I know that down on Lake Erie, our local union members are finding new contracts, finding the waste and looking for efficiencies.

In the short run, with the crisis with your company, with US Steel Canada, what can the Ontario government continue to do? I know that there has been some help on the health side of things. What can they do in the short run to even get us through the next year or so? Hopefully, there are maybe some bigger players that can come in and help out. Any comments, please?

Ms. Brenda Stenta: Certainly. I think that there's a very near-term opportunity with respect to infrastructure investment that's going to occur across this country and intensively here in Ontario. Where these government projects are being implemented, we think it's very important that the procurement policies are such that domestic producers have, at a very minimum, a preference to be providing into those projects and that we have a fair opportunity to compete. Where we're having to compete with foreign products that are perhaps state-subsidized or dumped here and are being used in government projects, then we believe that the government should, at least, force those suppliers to adhere to the same environmental standards that Canadian producers do.

The Chair (Ms. Soo Wong): Mr. Fedeli?

Mr. Victor Fedeli: Thank you very much. You brought a couple of quick points up. How many pensioners did you say you had?

Ms. Brenda Stenta: We support approximately 6,400 pensioners.

Mr. Victor Fedeli: Pardon me for not knowing, but where does your pension fund stand? Are you underfunded? Are you fully funded?

Ms. Brenda Stenta: We are underfunded. We have three pension plans: a salary plan, an hourly plan and a wrap plan. Those are three defined benefit plans. We also have a defined contribution plan. But with respect to the defined benefit plans—well, each plan's funding position is slightly different, but on average, I would say that it's between 67% and 70%.

Mr. Victor Fedeli: Okay. The cap-and-trade: You spoke about that.

Ms. Brenda Stenta: Yes.

Mr. Victor Fedeli: You're looking for credit, is it, for the level that you have achieved today?

Ms. Brenda Stenta: Yes. We have achieved significant reductions and actually surpassed the original 2020 targets with respect to greenhouse gas emissions. We're asking for some recognition of that with the new cap-and-trade regime.

Mr. Victor Fedeli: Yes, you're not alone in that. We've heard that in a lot of the hearings. That's going to be an interesting point, to see how this is negotiated, whether indeed any recognition is made for leading companies who have already cut back. Virtually every day, we've heard from a major industry who says, "Look, we've already been the good guy and reduced. Where else can we go? Will you acknowledge what we've already done?"

Ms. Brenda Stenta: One of our greatest challenges is that in the steel-making process, 70% of the process is fixed-process technology. Until there is a step-change improvement in technology discovered in global steel-making practices, we don't have the ability to change the emissions out of 70% of our operations.

Mr. Victor Fedeli: So our message, then, is the cap-and-trade?

Ms. Brenda Stenta: Absolutely.

Mr. Victor Fedeli: And you're talking about the changing of the pension usage status.

Ms. Brenda Stenta: Yes, procurement practices. Certainly, we'd like to see reciprocity and, as well, preference for Canadian materials so that Canadian jobs and Canadian producers can actually benefit directly from those infrastructure spends.

The Chair (Ms. Soo Wong): Okay. Ms. Stenta, thank you very much for your presentation and also your written submission.

Ms. Brenda Stenta: Thank you very much.

HOSPICE PALLIATIVE CARE ONTARIO

ALGOMA RESIDENTIAL COMMUNITY HOSPICE

The Chair (Ms. Soo Wong): The next group before us is Hospice Palliative Care Ontario: Theresa Mudge. Welcome. The Clerk is coming around with your presentation—your written submission, I should say. Thank

you. As you heard earlier, you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from the third party. You may begin any time. When you begin, please identify yourself for the purpose of Hansard.

Ms. Theresa Mudge: Good morning, everyone. My name is Theresa Mudge. I am a board member of Hospice Palliative Care Ontario. I'm also the executive director of ARCH Hospice. Thank you for the opportunity to speak to you today.

ARCH Hospice is a 10-bed residential hospice located in Sault Ste. Marie. Since we opened our doors in 2008, we've served nearly 1,100 residents and their families.

Our local hospice has 43 full-time and part-time staff, over 140 dedicated volunteers and an annual operating budget of \$1.8 million. We offer compassionate care for those who are dying, supportive care for families, and we serve people of all ages at no cost.

It's the families we serve that best say what we really do at hospice. For example: "The care my brother received during his final days was beyond superior.... Comfort measures were in place throughout his short journey. The staff provided us with ongoing support as needed; provided us privacy and space as well. My brother sat with me the first day and said, with tears rolling down his eyes, 'This is the most amazingly beautiful place. There is no way I ever want to leave here. They are going to have to evict me or kick me out.' I am forever comforted and grateful for the care and compassion you gave my brother." This is the type of gratitude we hear daily from our community.

Today I want to talk to you about why increasing hospice funding is the most cost-efficient method of funding palliative care.

Essentially, what we do at hospices is keep families together. We allow a sister to be a sister rather than having to provide full-time care; a father to be a dad for his dying child, rather than feeling like he has to be everything—a nurse, a caregiver and a rock. It is a supportive environment where 24/7 care includes ensuring emotional, physical and spiritual comfort for the person who is dying, and their loved ones.

At ARCH specifically, we have a peaceful, serene setting in nature. Every room has a picture window that overlooks gardens and our wooded surroundings. We see deer, foxes and birds. Our rooms feel like home. There are no loud call-bells, no room numbers, and no one wears scrubs. We customize our meals to our residents' wishes. If one of our residents craves a strawberry milkshake at 2 a.m., we make it happen. If a daughter wants to get married while her father is still alive at hospice, we will help make that happen as well.

Recently, one of our residents' wishes was to see a horse. We reached out to a partner, and the next day we had two horses for her to meet and pet. This brought immeasurable joy to her and comfort for her loved ones.

Our philosophy is simple: If it will bring comfort, we will make it happen. We keep families together when more care is needed than can be provided in the home,

and offer quality moments during what is often a difficult time.

0950

I would argue that because of this our hospice has quickly become one of the most widely supported organizations in our district. Being a part of such important life moments makes our community members feel like they're part of something great and a larger family. They're supportive. They are engaged. They become volunteers and they become donors. They listen to what is happening in palliative care. They care what happens right now.

Right now, I can tell you that we need to fundraise \$750,000 each year for our local hospice, just to offer basic services at no cost. I can also tell you that our community is shocked when they learn that we do not have greater support from our government on the funding front, particularly when they learn that residential hospice care is more cost-effective than palliative care provided in a hospital. In fact, we know that hospices cost \$469 per bed per day, compared to hospitals at over \$1,200 per bed per day. Why are we fully funding a less cost-effective care environment and not fully funding hospices?

I've worked in virtually every sector in health care: acute care, long-term care, health authority, primary and palliative care. I can tell you that palliative care is the future of affordable, quality health care. It is the type of care that everyone will come to expect, especially when considering demographics. Baby boomers are entering their senior years. They're experiencing their loved ones dying. This is the largest demographic in history, and the demand for hospice care will only increase.

Right now, if we do not fundraise our minimum of three quarters of a million dollars each year, which is increasingly difficult, particularly in our current economic climate in a heavily resource-dependent city, we close our doors. If we can't afford to provide meals, care supplies, family support services and to heat our building, what does that mean? That means the 150 residents we serve each year are now taking up hospital beds, which are more expensive. This becomes all of Ontario's problem, an additional \$3.5-million problem. This is what it would cost to care for individuals—not their families—in hospital, whom we currently serve in our home-like setting. The simple solution? By funding 80% of hospice operating costs, stability will be provided in the sector. For us at ARCH Hospice, this is only an additional \$380,000 each year. At the end of the day, we are comparing government funding of \$3.5 million in hospital to \$1.3 million for hospice care. Let's invest in the more cost-efficient and higher-quality care setting.

We need investment beyond our front-line staff wages. We need to be able to heat our facility. We need funding to provide family support services. Currently, restrictions prevent us from using government funding to meet such basic needs as food, heat and care supplies. Let's remove these.

How would you rather see yourself or your loved one spend your final days? In a hospital bed? At home? In an

emergency department surrounded by beeping noises, scrubs and persistent strangers? In a hospice? In a peaceful, comforting environment that feels like home, surrounded by loved ones whose needs are being met?

Now is the time to be progressive and lead change in Ontario's health care system and funding allocation. Allocating funds to delivery models like hospices that provide high-quality end-of-life care to patients and families in a more cost-effective manner than traditional methods makes clear sense. Let's make this part of Ontario's future. Our public is waiting for this.

Thank you.

The Chair (Ms. Soo Wong): Thank you very much. I'm going to turn to Ms. Fife to ask this round of questions.

Ms. Catherine Fife: Thanks very much, Theresa, for coming in this morning. This is our fourth day on the tour, and Hospice Palliative Care Ontario and respective local hospices have made presentations to us.

The economic argument is compelling, and it makes sense. I think that you're right that a lot of people would find it really surprising that the government isn't funding the operational costs of the physical capital, the heat, the hydro and what have you of hospices.

The Auditor General found in 2014 that Ontario does not have a comprehensive palliative strategy. How do you see hospice care as integral to part of that strategy?

Ms. Theresa Mudge: Hospice care is integral to the strategy. I compare this to what happened with hospitals. In the late 1800s and the early 1900s, groups of committed citizens got together to fulfill a need. It's recognized that hospice palliative care is still relatively new, but I don't think that it should take us the decades that it took the acute care sector to get to that funding regime.

Again, I'll echo the point of higher-quality, more cost-efficient services. Our province simply can't afford the health care system as we know it. This makes clear sense. Invest the money into models that are lean, adaptive and efficient now, which the public responds to. I'm sure you would hear over and over again, not only at this table, but in your communities, that this is an option for care that people respond favourably to, so why not act now?

Ms. Catherine Fife: Absolutely. We actually heard in Thunder Bay yesterday that the regional hospital there is experiencing gridlock, really, because there are no options around palliative care, so you do have patients who are taking up those beds in a less compassionate setting.

Your timing is really interesting because there is this debate across the country, and across this province, I hope, on living with dignity and dying with dignity. I'm hoping that we do have a national strategy, but I also hope that in the absence of a national strategy we actually establish something in Ontario, because, as you pointed out, the demographics are there and we need to have the resources in place to deal with an aging population, for sure.

Ms. Theresa Mudge: Yes, and the working model is already there. It's not 100% across every community in

Ontario, but I really applaud this government's commitment to moving forward with additional hospice beds.

Ms. Catherine Fife: In 2014, it was part of their election campaign to create 20 new hospices. To date, that has not happened. So you being here today and adding pressure to this committee and reminding them that hospice care matters are important—so thank you for being here today.

Ms. Theresa Mudge: Thank you.

The Chair (Ms. Soo Wong): Thank you for being here and for your written submission as well. Have a great day.

MATERNAL CHILD PROGRAM, SAULT AREA HOSPITAL

The Chair (Ms. Soo Wong): The next group before us is Maternal Child Program, Sault Area Hospital. I believe it's Kierston Miron. Good morning. Welcome.

As you've probably heard, you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from the government side. You may begin any time, and when you begin, can you please identify yourself for the purposes of Hansard.

Ms. Kierston Miron: Good morning. My name is Kierston Miron and I'm a registered nurse at Sault Area Hospital. I have been a registered nurse for 30 years and have spent 20 years working in the maternity department. I have worked as a front-line nurse, a clinical educator and, at present, I am the patient care supervisor of the maternal child department.

Labour and delivery is one of the happiest places to work in the hospital. To see new life being born is exciting, and, as a nurse, I have always considered it to be a privilege to be a part of a life-changing event in a family. However, when things go wrong, maternity is the hardest place to be. When an adult passes away, a family can take comfort in memories of a lifetime together. Families who experience an infant loss are denied those moments. Losing a parent is losing your past, but losing your child is losing your future.

Over the years of my working life, I have had many opportunities to spend with mothers and families who are experiencing the loss of their baby. These families have forever changed me. There are parents who have shown me a strength and dignity that I don't think I could have had in similar circumstances. I have held the hands of grieving mothers, fathers and grandparents, and cried many tears along with them. I have held their precious infants and attempted to give the families a lifetime of memories in a few short hours. I have left work and grieved for these families, hoping that in some small way I made their horrible experience more bearable.

Over the last seven years, we have had approximately seven to eight stillbirths and two to five neonatal deaths per year. Our birth rate has averaged at approximately 915 births per year over the same time period. Statistically, our losses are a small percentage of the births that

we do in a year, but each one is a tragedy for the families involved.

When a pregnant patient greater than 20 weeks' gestation presents at our hospital, they are sent to the maternity department for assessment. We, as nurses, are their first contact. Patients may come with stories of not feeling their baby move or vague symptoms of just not feeling well. The nursing staff listen for a fetal heart and many times are the people who discover that there isn't one. Dealing with the shock, grief and terror of the mother at this moment can be overwhelming, especially for new staff. Many times, the family learns of their infant's passing when they arrive at the hospital. At other times, they may have been informed only a short period before. In each situation, they are overwhelmed and in an emotionally fragile place.

1000

Nurses are the ones who spend the most time with the mothers and families during the labour and the post-delivery period. We provide emotional support as well as physical care, not only to the mother but to the whole family, at the same time as we deal with the emotions that the situation causes within us. We often feel helpless and inadequate as we attempt to assist this grief-stricken family in what is often a crisis situation. I have personally gone over and over conversations that I've had with parents, wishing that I had said something in a different way and hoping that my choice of words did not make them feel worse.

At our hospital, women who are being induced for a fetal demise in their second or third trimester are admitted to the maternity department and cared for by our labour and delivery staff. Patients who experience early pregnancy loss are mainly seen in the emergency department. When the patients are admitted to our department, we try to put them in the birthing room that is farthest from other birthing rooms and the post-partum area in an attempt to give them privacy and prevent them from having to hear families who are celebrating the birth of their healthy child. We keep the patients in these rooms until discharge, if possible. We do not have a separate area where we can provide care, but we try to shelter these families as much as we can.

Nursing staff do not receive formal education on how to deal with these parents and families who are experiencing the loss of their child. We try as much as possible not to give this type of patient to a nurse until she has had at least a couple of years' experience in labour and delivery. We also attempt to ensure that they experience parts of the care of the mother and baby with a more experienced nurse before taking full-time care of these patients on their own.

Right now our bereavement program is run on a volunteer basis by one of our full-time nurses. Donations to the program are usually given by other nursing staff or retired labour nurses who try to assist in any way that they can.

Funding for perinatal and infant loss is needed. As part of the management team, I know that we need funding in

two distinct and important areas. First, we need funding to buy the supplies needed for our program. We provide each family with pictures on a memory card so that they can have a reminder of their baby. These memory cards are purchased by either staff members or donated by our dedicated group of retirees. We need to purchase the memory boxes and the keepsakes that go in them that we provide to each patient who delivers in our area. We would like to expand this memory box portion to all women who experience a loss, even in early pregnancy, but unfortunately we do not have the supplies to do so.

Secondly, we need funding to provide education. This education is needed for all staff members who come into contact with these mothers and their families. This includes physicians and nurses, not only in the maternity department but in the emergency department as well. Staff need to know how to properly support these women who experience loss at any part of their pregnancy. Staff need to understand how the care the mother receives at the hospital is critical in helping her and her family come to terms with this loss. Physicians and nurses need tools to assist them to support these families—correct ways to approach and speak to the mothers and their loved ones. A formalized education program needs to be implemented; however, at this time we do not have the funds to do so.

Bill 141 is a critical breakthrough for maternal health in our province. The quick passing of this bill by the government speaks of its awareness of the importance of and great need in pregnancy and infant loss. Expansion of education programs for health care providers, support of our existing programs and increasing public awareness will, in turn, help every woman and family who suffers a loss.

On behalf of my staff, I would like to thank you for providing me an opportunity to speak today, to give the nursing side of this story from both a professional and a personal standpoint.

The Chair (Ms. Soo Wong): Thank you very much for your presentation. I'm going to turn to Ms. Vernile to begin this round of questioning.

Ms. Daiene Vernile: Thank you, Ms. Miron, for your very comprehensive presentation this morning and informing us of the important work that you are doing. I'm a mother of three children and I remember my births as being a wonderful and joyous time. I know that you are having to deal not only with that, but with the heart-break that comes when it doesn't end in a joyous way. So I want to thank you and all of your colleagues for your dedication and the important work that you are doing.

You made reference to Bill 141. My colleague MPP Michael Colle is advancing this—pregnancy and infant loss awareness—and looking at research and care. You talked about how education is needed. Currently, how is staff educated in this matter, or are they?

Ms. Kierston Miron: There is no formal education program. We do not have speakers who come in; we do not have packages. Basically, we educate each other and we learn from experienced staff members. Years ago we would have speakers come in, but there's just not the

funding to provide that type of education at this moment. To have someone come in and provide a course costs money to replace nurses, to have nurses come in, and we do not have the funding at the moment.

Ms. Daiene Vernile: Now if you're in a situation where there is an infant loss, you're just hoping that the doctor and the nurses and the people who are attending are compassionate and will know what to do and what to say.

Ms. Kierston Miron: That's why we wait until they've at least had a couple of years' experience. We never let a new staff member go in there alone. If you were one of my staff nurses, before you took care of a mother and infant, I would make sure that you had been in there to see how we speak to these mothers, to see how to care. But yes, you're right: We just hope that they're compassionate.

Ms. Daiene Vernile: You also talked about having funding for supplies: memory cards, a memory box. Are you able to put a dollar figure on that? That helps us out a lot.

Ms. Kierston Miron: Actually, no. At our local hospital, it wouldn't be thousands of dollars. Like I said, we have a very small amount of births—statistically, births per year—where there's a loss. But I would probably say \$1,000 a year, or \$1,500. If we were to expand this program so that every woman who experienced a loss, even at six weeks' gestation, eight weeks' gestation—it's not a lot. A lot of this stuff we get from the dollar store. There are little boxes. We have people who make us little hankies that we give them, with an embroidered teddy bear on them. It's not a major commitment; it's just money that we don't have.

Ms. Daiene Vernile: I'd like to personally deliver a message to MPP Colle for you, if you'd like. What would you like to tell him?

Ms. Kierston Miron: I'd like to say thank you for putting this forward. Infant and perinatal loss is one of those hidden things in our society. No one likes to think about the fact that babies pass away or are not delivered healthy. I would like to thank him for bringing the awareness of this forward for all of the women in our communities.

Ms. Daiene Vernile: We appreciate your support on Bill 141. Thank you very much.

Ms. Kierston Miron: Thank you.

The Chair (Ms. Soo Wong): Thank you very much. Before you go, you have until February 2 at 5 p.m. to do any written submission, and you need to submit that to the Clerk.

Ms. Kierston Miron: All right. Thank you very much.

The Chair (Ms. Soo Wong): Thank you for your presentation.

SAULT AREA HOSPITAL

The Chair (Ms. Soo Wong): The next speaker before us is Sault Area Hospital. I believe we have Vice-President Max—is it Liedke?

Mr. Max Liedke: It's Max Liedke.

The Chair (Ms. Soo Wong): Okay. As you've probably heard, you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from the official opposition party. When you begin, please identify yourself for the purpose of the Hansard. Thank you.

Mr. Max Liedke: Thank you, and good morning. Thank you for the opportunity to speak this morning. My name is Max Liedke. I'm the vice-president and chief financial officer at Sault Area Hospital.

In my role, I have what you would expect in a finance portfolio, consisting of finance, decision support, house-keeping facilities, health records, IT; all of those things. But also I have a unique role in my position. I'm also accountable for a large clinical portfolio. So in my role, I am also accountable for the emergency department, ICU, the medicine program, rehab complex, both inpatient and outpatient mental health services, all of our community mental health services, pharmacy, lab, and diagnostic imaging. So I have a large perspective on hospital operations, both from an administrative perspective and from a clinical perspective.

My background: I've spent 14 years working for large public companies. For the last 16 years, I've worked in the public sector: 10 years in education and six years in health care.

I would say that Sault Area Hospital is, by default, the health care provider in our community. So if there are not community services available, we are the default health care provider. People come to the hospital to receive services.

Sault Area Hospital is a large community hospital. Our next closest hospital is about a three-and-a-half-hour drive to Sudbury, so we do provide hub hospital services for the district of Algoma.

I was specifically hired at the hospital to address some of our financial issues. Six years ago, the hospital was running an annual deficit of around \$12 million a year. Over the last five years, it has had the ability to actually balance our operations—so the ability to generate a small surplus and to reverse that large trend of running significant deficits over those years.

In the last four years, though, from the Health System Funding Reform, we've experienced about \$12 million in cuts to our funding. We've had about \$14 million in increases to our compensation expenses. We've had about a 25% increase to our utility bills. Our general supplies and drug expenses have increased. So over the last four years, we've had to look at having to address about \$30 million worth of opportunities within the particular hospital.

Coming up into 2016-17, we still anticipate there to be continued pressures on the hospital and we're continuing to look at probably about another \$6 million that we need to look for—efficiencies within the hospital, between reduced funding, compensation increases and the normal increases we would expect in our supply costs.

1010

A couple of mandates that we've had in operating the hospital have really been, one, trying to make sure that we don't eliminate any services. As the default health care provider in the community, we want to make sure that we don't reduce services because we need to be able to provide those services. The second thing we've also looked at is trying to minimize any impacts on staffing levels at the direct patient level. Any staff that actually deliver direct patient care: We want to minimize any staffing impacts to them.

As we move forward under this environment, though, my fear is that the things that we've done in the past are no longer achievable, and the two options we are going to have to look at now are the services that we are providing and the level of staffing that we do have at the hospital to provide that particular service. We have looked at every opportunity over the last five years to improve the efficiencies across the hospital, but I would say that we are now at the point that we have to look at our services, which is very disappointing.

I would say that if I looked at some of the things that the hospital needs to do, I support the increased funding for home and community support across the province. I think it is a huge need. One of the things that we've experienced and we do see at the hospital is where we have a lot of what we would call alternate-level-of-care patients, people who are in the hospital who no longer require acute care but require some other form of community care. We continue to support that particular initiative. I would say that the concerns I would have at this particular time would be around the transition to what that looks like. Just because we are the default health care provider, we do experience a lot of times when we do not have access to those services and we do have those patients within our hospital, and that's one of the things we're trying to improve. But if we have issues or concerns over the next two years, as we progress down this particular path, that can also place additional pressures on the hospital in trying to accommodate that particular need.

From a system perspective, we also have to get much better at long-term planning, as a system, as to where we want to be. From the hospital perspective, what we're looking at is trying to envision what we will be three to four years out, in light of what that funding restraint might look like, and envision what that hospital will look like. That will mean a change in services that we provide and a change to the staffing that we have at the hospital.

From a staffing perspective, one of the things I would like to be considered is the ability for the hospital to have some right or some ability to employ physicians directly within the hospital. Physicians are, as you know, independent contractors. They have the right to admit patients and discharge patients to a hospital, but they are not directly employed by the hospital. One of the things that we have, as physicians run independent practices and then come to the hospital either before their practice opens in the morning or after their practice at the end of

the day, is that they're not available during most of the time to meet with families and patients, which is a huge frustrater to our patients and really adds to our length of stay.

We've seen models where physicians have been directly employed. Because they're part of the hospital and they're part of the integrated health care team providing that service, they're providing enhanced services to patients and families. That can significantly reduce the length of stay of patients, significantly increase the quality of care for patients and substantially reduce the cost at hospitals, all without costing the province any additional funding because they would just be what we would envision as transfer funding from OHIP into the hospital to be able to compensate that. So I think that would be a win-win situation for everyone.

Another issue that we would hope at some point would be addressed would be around collective agreements. I would say that during this period of fiscal restraint one of the things that we do struggle with when we have layoffs is the collective agreements that we have. So if we have someone that is employed on a particular unit and we are reducing the employment levels on that unit but increasing employment levels in another unit for a different type of service, our collective agreements require us to have a layoff on unit A and still recruit on unit B. To me, that's a phenomenal increase and a waste of taxpayer dollars because it's the same organization with the same need to provide care, but we're spending millions of dollars for that labour transition, which is really unnecessary.

We'd also like to look at the ability to generate additional revenue while not impeding wait times for Ontario residents. We are a border city and we do have opportunities with our partners to the south around increasing some additional revenue that could help us in some of our operational needs.

There are two other quick points I just want to make. One is around the current Health System Funding Reform and the structuring of that particular funding. One of the things that we're looking for is a new health information system by which we would be able to provide a complete electronic medical report that would be shared among all health care providers, not only within the hospital and the community but also within our district and within the province. The great difficulty in that is the way that the Health System Funding Reform is currently structured. As we increase the expenditures to provide that service, we will actually see reduced funding as a result of that. So it's a difficult decision to make on how we continue to improve the electronic medical record, enhance care, share that data, that information, with all health care providers across the city and the district, while we'll see, or be penalized with, reduced funding for that. We would ask if that could also be reviewed.

The last piece that I would look for is that we have been very fortunate, I think, in a couple of years to receive some additional funding for maintenance and

some upgrades to our withdrawal management facility. But I would say that one of the things we do see in our community is a very high level of substance abuse, both from alcohol and drugs. If I look across the LHINs, across the province, in our particular district, it is probably one of the highest, and we are struggling with one of the withdrawal management facilities that we have. The facility was originally designed in an old house, mainly to service alcohol withdrawal. The preponderance today, though, is that about 30% of our patients are going through alcohol withdrawal while about 70% are going through substance abuse withdrawal, which is a totally different withdrawal and requires a totally different makeup.

We have been lobbying for years for some additional funding to be able to support that. It is a huge and growing need, especially in the north, and one where we would like to see if we could have some special consideration for it to be addressed.

The Chair (Ms. Soo Wong): All right. Thank you very much for your presentation. I'm going to turn to Mr. Barrett to begin this round of questioning.

Mr. Toby Barrett: Thank you very much for the presentation from the Sault Area Hospital. Much of it is dealing in an environment of access to scarce resources—money.

Mr. Max Liedke: Yes.

Mr. Toby Barrett: Part of my context, I have to admit, is that my uncle was the administrator of Humber Memorial, back in the 1970s. His name was Len Burfoot. He was a very smart fellow. He has passed away.

I would say he was old-school. I would chat with him. I was working in the health care field at the time myself. Back in the 1970s, my Uncle Len, when crises like this would come up, would pick up the phone and talk to the Minister of Health. In the 1980s, the district health council system came along, and now, of course, the LHIN system and the CCAC and other systems. I have to admit, in our deliberations today, that I'm trying to think through the lens of Len Burfoot and how he would view all of this.

You are operating under what's referred to as activity-based funding.

Mr. Max Liedke: Yes, patient-based funding.

Mr. Toby Barrett: Patient-based, and essentially, there's no global funding, in a sense. How much management decision-making does that take away from you?

Mr. Max Liedke: The hospitals used to be funded under one global fund, which has now been split into three separate funds. So there still is a base component to our global fund. There's a health-based allocation methodology, and then there's our quality-based procedure funding, so there are three different pots. It still requires a lot of decisions around how you're going to administer that, because we don't have the same level of flexibility, but we're still required to provide services.

I'll give you an example under quality-based procedures or quality-based funding. It is funding for specific procedures or diagnoses or care types, and it is volume-

based. You're funded for X number of volumes at a certain price for what you're delivering in your community and the acuity level of the patients that you serve. If you don't achieve your volume, that funding is clawed back. If you exceed your volume, that is at your expense.

It's an easy thing to manage when you have elective surgeries like a hip replacement or a knee replacement. It is much more complex and difficult to manage when you're dealing with congestive heart failure or COPD or things for which you just don't control that particular volume. We have to provide that service when the patient shows up at the hospital to receive that service.

Mr. Toby Barrett: Okay. You mentioned the patients with alcohol and drug issues. Actually, Len Burfoot retired back in our home area—I'm Haldimand-Norfolk—down in the Simcoe and Port Dover area. The first thing he did was, he led the community to establish, or to re-establish, a detox across the street from the hospital, with everything funded through the Ministry of Health.

I was working for the Addiction Research Foundation at the time, to take that burden off the hospital and provide those services in a more cost-effective way.

1020

My question is: Why is there such a drain on your resources from alcohol- and drug-hurt people? Do you not have—

Mr. Max Liedke: We do. It's not as integrated as it needs to be. The facility is an old house that was being converted into a facility. It doesn't allow the ability to integrate all the services. If you are a patient who requires that particular service, you would need to have a detoxification. You might need a medical treatment as you go through that, which our community, unfortunately, doesn't have at this time. You also need some counselling and support to be able to deal with your addictions. It can't be provided in multiple locations with an effective end result. It really needs to be that consolidated, integrated, collaborative care that can address and help with those particular issues.

What we do see in our community is a higher preponderance of substances and addictions.

Mr. Toby Barrett: Yes. The \$12-million shortfall, or cuts that had to be made—you're looking at another \$6 million. You mentioned collective agreements. I'm sure you're electricity costs are going up. Your compensation and pension costs would be going up; purchasing; medical supplies. What is the mix there? What is the big draw? I'm sure it's everything.

Mr. Max Liedke: The biggest is compensation. Compensation is about 70% of our budget, so we have a compensation payroll of about \$100 million. On an annual basis, between their negotiated collective agreements—annual increases and step increases—it's about \$3.5 million a year to us in compensation increases.

Mr. Toby Barrett: That's 70% of the total budget?

Mr. Max Liedke: Total budget, yes.

Mr. Toby Barrett: Heating, plant, equipment?

Mr. Max Liedke: Yes. And we have been successful over the last number of years in reducing the size, from

running a \$12-million deficit to be in balance in negotiating and reviewing all of our contracts. It used to be—as you know in health care—standard increases of that 4% or 5% on an annual basis for drugs, any maintenance or anything. We've never accepted that. We always sign at a zero level and end up negotiating, probably, at 1% or 2%. But we have seen marked changes in that.

Other pieces that are outside of our control are, likely, electricity, which has increased 25%—a substantial cost to the hospital in this environment, yes.

The Chair (Ms. Soo Wong): I'm going to stop you there. Thank you very much for your presentation. You have until February 2 at 5 p.m. to submit your written submission to the Clerk, so that we can also have that written piece of your presentation.

Mr. Max Liedke: Great.

The Chair (Ms. Soo Wong): Thank you so much for being here, and have a great day.

Mr. Max Liedke: Thanks for your time.

SAULT COLLEGE

The Chair (Ms. Soo Wong): The next group coming before us is Sault College. I believe the president, Ron Common, is here. Good morning, Mr. Common. The Clerk is coming around with your written submission, so thank you. Welcome.

As you've probably heard, you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from the third party. You may begin any time. When you begin, please identify yourself for the purposes of Hansard. Thank you.

Dr. Ron Common: Thank you, everyone. Good morning. I'm Ron Common; I'm the president of Sault College. I have with me Cecilia Bruno, my chief financial officer.

I'm actually in my 48th year of being an educator, and 30 of them were spent at university, so I frequently will be providing observations in terms of college realities versus university funding. A significant inequity exists there, which I find irritating.

This will not be news to you because many of you are from northern Ontario, and if Canadore was sitting here or Cambrian was sitting here or Confederation was sitting here, they'd be saying similar things. The northern colleges have significant sustainability issues. We have challenges due to the underfunding of the colleges and we have challenges due to the demographics. In the Algoma region, the average age is 47, and we're in the youth education business, so we have challenges.

Most of the colleges in northern Ontario, and even many of the colleges in the rural areas of southern Ontario, are meeting their sustainability challenges through attracting international students. This is a very difficult thing for northern Ontario colleges to do. In 2012, only 1% of all the international students coming into Ontario went to northern Ontario. The international students who come to Ontario want to be in the GTA. It's

a big challenge for us to try to backfill our funding shortfalls with international students.

I should say that it's also a challenge that when we do get the international students—in Sault College—2.5% of our students are international students—we have the challenge of what are colloquially called “jumpers”: People come for one term and then jump to the GTA. That's a phenomenon that's certainly affecting, I know, Cambrian College to a great degree.

Some of our specific challenges are that the funding formula that we have, the GPOG formula, is basically a model that one size fits all. The northern colleges are quite unique. They don't fit that size. I'm on page 3. Here's what's unique about Sault College:

—We have 24.5% of our students who are identified with disabilities;

—We have 31.5% of our students who are first generation, the first people in their family to attend a post-secondary institution, so we're making a very big difference in people's lives; and

—We have 25% of our students who are aboriginal.

This is all good news, but if we want to succeed with these students, which we would call an at-risk population, we have a great deal of additional cost that we have to focus on in providing services in order for those students to succeed.

I think that Sault College does an incredible job, given our key performance indicators in terms of our success rate and in terms of student satisfaction rate. Sault College, in terms of overall student satisfaction, is ranked number one out of the 24 colleges. But we definitely need stable, predictable funding to support the at-risk student population.

We also need to recognize that we have a need in terms of special-needs funding. Students with special needs get funded throughout high school and the funding follows them, but then it ends when they come to a post-secondary institution. We think that special-needs funding should follow the student from high school into post-secondary institutions. In high school, funding seems to average around \$1,200 following the student; we think that it should follow into the post-secondary system. Their needs didn't end when they graduated.

Accommodations that we currently have for students with disabilities: mental health services, which we're currently getting funding on a special project basis, but it's not permanent funding. It's fantastic, this project. It's making a real difference. It's impacting students with mental health issues. We're conducting mental health first aid training of our professors and our support staff. We're able to identify students with difficulties very early in the process.

It's having an impact in terms of some very obvious things. Prior to our mental health funding, every year that I have been president of Sault College, we had students committing suicide. That's just a devastating statistic. The mental health funding has made inroads on that and is having a real impact on it.

We need increased resources to support the first-generation students so that they succeed. Sault College,

with 25% of our students being aboriginal—we want us to be an education destination for aboriginal students. We provide a great deal of support for those aboriginal students. We have elders whom we have employed who are providing the necessary counselling and support. We're providing tutor support for the aboriginal students.

One of the things that we have to do at Sault College: We recognize that 50% of the aboriginal population live on First Nations, and we believe that 50% of our aboriginal programming should take place on First Nations—community-based programming, so that the students do not have to pick up, leave Manitoulin Island and come to Sault Ste. Marie and try to bring their families and find accommodations, which is a big challenge. We are currently running programs in First Nations communities and we want to increasingly do that because there are many students whom we are getting into our program who wouldn't be there otherwise if they had to leave their homes and their family support and move here.

I know a considerable amount about aboriginal education. In aboriginal education, women are succeeding at a far higher rate than the males. In terms of gender distribution, there are a lot more aboriginal women coming into post-secondary institutions than there are men. That's another problem. We have to figure out what kinds of programs and support we have to have in place in order to attract aboriginal men into post-secondary education.

1030

Relocating is an especially difficult task for aboriginal women with families, so we would hope that the funding that is created would recognize that there are additional costs in running a program on a First Nation. We need to have that.

I want to speak to you very quickly about infrastructure funding. Sault College has 600,000 square feet of buildings. Many of them are flat-roofed one-storey buildings. We have wait-listed programs that require new infrastructure. We have to have modern equipment that we don't have. We need to look at the allocation methodology that currently exists, which is based on enrolment share of the system.

We think that you need to look at the allocation methodology and take into consideration the age and condition of the facilities. Many of our buildings are between 40 and 45 years of age, and when we take a look at the funding in terms of deferred maintenance, we get \$186,000 in deferred maintenance for these aging facilities. Thankfully, the province is increasing the allocation next year, and that will help, but our deferred maintenance costs on this aging facility are over \$20 million.

I can give you an example. If I get \$186,000 in annual funding for deferred maintenance—I was told last week that I need a new roof on one of my oldest parts of my building, and the roof is going to cost \$400,000. I have \$186,000 to address \$20 million in deferred maintenance. The money has to come from operational funding that's intended to be used in terms of our instruction and our students, not the buildings.

In terms of equipment, Sault College gets \$172,000 in equipment. We have to have equipment that parallels the best equipment in industry if we're going to prepare our students properly to meet industry needs. Sault College just opened up a robotics lab. A robot costs \$200,000. Our actual robotics lab costs \$600,000—

The Chair (Ms. Soo Wong): Dr. Common, can you wrap it up?

Dr. Ron Common: Pardon me?

The Chair (Ms. Soo Wong): Can you wrap up your presentation?

Dr. Ron Common: Oh. All right.

A flight simulator for our aviation program costs \$650,000, and we have \$172,000 in funding for the equipment.

The one thing I want to leave you with, then, if I have to wrap up quickly, is that the one program that is intended to address the unique needs of northern colleges is the small northern and rural grant that exists. That funding has been static since 2008. It is unchanged, and obviously our costs are going up. I would hope that we are taking a look at altering and increasing the small northern and rural grant, which actually does recognize unique differences among the colleges in Ontario. Thank you.

The Chair (Ms. Soo Wong): Thank you very much, Dr. Common. I'm going to turn to Ms. Fife to begin this round of questioning.

Ms. Catherine Fife: Thank you very much for your presentation. Perhaps my colleague might also have a question.

Aside from the funding disparity or inequity between universities and colleges being annoying to you, can you talk about the real impact of that inequity in funding? Colleges are unique, and especially play a huge role in the north.

Dr. Ron Common: One of the things that I'd like to draw your attention to is that the ministry capped tuition increases at 3% and is very proud to say that it was a 3% cap. The average college tuition at Sault College is \$3,700, versus university tuition. You should not have the same cap on a university tuition versus a college education.

College tuition is a seriously undervalued proposition, and there should be an opportunity for increased tuition. We have very high costs in terms of our labs and our facilities. While Ontario university tuition is allowed to reach the level where it's the highest tuition in Canada, college tuition is among the lowest in Canada. It's two different realities, treated as if it's a single reality.

Ms. Catherine Fife: So you would argue that the colleges are more accessible, though, because of those tuition fees.

I'm interested in the mental health hub—is it a pilot project?

Dr. Ron Common: Yes, it is.

Ms. Catherine Fife: This is the time to make the case for sustainable funding. Can you tell us a little bit about that? How is it funded currently right now?

Dr. Ron Common: What do we get in terms of the special project funding?

Ms. Cecilia Bruno: This past year, we got about \$300,000. That's what we'll be getting for the next fiscal.

Ms. Catherine Fife: How much is it?

Ms. Cecilia Bruno: Just under \$300,000.

Ms. Catherine Fife: Three hundred thousand—and how many years is the project?

Ms. Cecilia Bruno: Our fiscal 2016-17 will be the last year.

Ms. Catherine Fife: The last year.

Dr. Ron Common: Premier Wynne came, and she met with students who are accessing the services at the mental health hub. She announced the additional year that we currently have in terms of the project funding.

Ms. Catherine Fife: I'm sure you have the evidence and the research to back it up for sustainability.

Dr. Ron Common: Absolutely. We have mental health workers employed that we never had before, and our students have access. One of the challenges I assume almost all colleges have, but certainly northern colleges, is that people come to our community of Sault Ste. Marie and they may have underlying problems, and health workers and health support, but they become orphans in the sense that they arrive in Sault Ste. Marie without that support.

Ms. Catherine Fife: We're hearing a lot about that from a First Nations perspective across the province, as well.

Yesterday, at the talent and skills summit, the Premier admitted that the aboriginal population in Ontario First Nations and Métis are not meeting their potential in our economy and from a skills-trade perspective. How important would increased resources to support first-generation academic and personal goals be to address that gap for the aboriginal population?

Dr. Ron Common: It's a wonderful question. This is a tremendous human resource that we have available. We have to ensure that these students succeed. The average age on a First Nation is 23; the average age, as I said, in Algoma is 47—two different realities. We need to meet the needs of those students and prepare them for the job opportunities that are out there. We can't afford for those students not to succeed.

Ms. Catherine Fife: Thank you. My colleague.

Mr. Michael Mantha: First, I want to commend Sault College for the work they have been doing with the aboriginal communities. I know, personally, having worked with Sault College through a resource centre that I was involved with in the Wawa, Dubreuilville and White River area, of the amount of work that you've done with them. I would encourage you to continue doing that, because that's where our future workforce is going to come from. It's only going to increase and benefit us, going forward.

You talked about the community-based programming. I've seen the good successes that have come with that. It's providing the training there in the community, where people are most comfortable, because that's where

they're going to be working and that's where they're going to be delivering the service. The amount of increase: What level of increase would be appropriate in order to address the need for that community-based programming?

Dr. Ron Common: I don't have the answer to that. I will work on the answer and provide it to you in the written submission. Obviously, we have increased costs of travelling professors to drive to the First Nation, and we obviously have smaller classes. We have single-section classes, not multiple sections like we might have at Sault College, so there are lack of economy-of-scale opportunities. But I'll get you that information.

Mr. Michael Mantha: Coming from northern Ontario, and this is something that I hear consistently, there is a difference between operating a hospital and there is a difference between operating a college in northern Ontario versus other parts of this province. It's just a fact. That's just how it is and how it operates.

Dr. Ron Common: But the grants don't recognize it.

Mr. Michael Mantha: That's right. Again, I would appreciate, in your written presentation, what an appropriate level of increase to this particular area would be a step forward, recognizing the vast challenges that we do have in northern Ontario.

Dr. Ron Common: Okay.

The Chair (Ms. Soo Wong): Thank you very much, Dr. Common, for being here. You have until February 2 at 5 p.m. to do your written submission or any additional information you would like to share with us and to answer Mr. Mantha's questions.

Dr. Ron Common: Thank you for your attention, everyone.

The Chair (Ms. Soo Wong): Thank you so much, and thank you for being a lifelong learner.

MS. MARGO DALE

The Chair (Ms. Soo Wong): The next presenter before us is Margo Dale, I believe. She's on our list. Ms. Dale has a written submission for us, so the Clerk is coming around with your written submission.

Good morning, Ms. Dale.

Ms. Margo Dale: Good morning.

1040

The Chair (Ms. Soo Wong): As you've probably heard, you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from the government side. You may begin any time, and when you begin, please identify yourself for the purposes of Hansard.

Ms. Margo Dale: My name is Margo Dale.

Our hospital needs more funding. Many residents of Sault Ste. Marie are afraid to go to the Sault Area Hospital. They wait as long as they possibly can until there's no other option.

My family is pretty representative of an average family in the Soo. Let's walk through some of our health ordeals at the hospital.

Noreen, my late mother-in-law, spent 15 traumatic days there. She went to the hospital because she felt terrible; we couldn't help her enough to keep her clean when she made terrible messes, and she couldn't eat and found swallowing liquids was difficult. At the hospital, she didn't see the dietitian, but was given pop and juice. They gave her medication to cover up the symptoms. Finally, we asked to see the dietitian. The dietitian recommended a supplement that we needed to bring to her. The dietitians don't work on weekends and holidays; there aren't enough trained front-line workers to meet the needs of patients. This is a budget issue.

At some point, there was a visit to Noreen by a social worker. She had Noreen convinced that it would be possible for her to go home as there would be support from a community service. There needs to be more staff to allow for improved communication between the doctors and other workers of the team. We have to think that that was the issue. We would be horrified to think that this social worker was that incompetent to think that a patient in Noreen's condition would be able to manage with a couple of hours' support several times a week. The other explanation is that they needed her bed because of bed shortages, so they try everything to push people out, even when they're too frail and don't have the resources they need at home.

In order to help make decisions about her treatment, we needed test results. The biopsy test took 15 days to get, partly because critical diagnostic analysis of tissue samples and blood tests must be sent out of town. This is a budget issue.

We were fortunate to have a teleconference with a cancer specialist from Sudbury. There wasn't even a medically trained person with us in the room to talk to the specialist. There aren't enough front-line, medically trained workers at SAH. Because the biopsy test result and other necessary diagnostic blood tests and her intensive care records weren't in her file to be shared with the specialist, he wasn't able to give us any feedback as to the best treatment for her. Over one and a half hours was wasted for the cancer specialist. The whole ordeal was totally upsetting and fatiguing for Noreen, and she gave up.

Patients go hungry because they can't reach the tray, sometimes because they are hooked up to machines, other times because they're too frail. There is no help from hospital staff. Family members can't afford the \$60-per-month parking fee. Because of decreased staff, the food delivery people only have minutes to deliver all the trays on a floor. Obviously, there is a lack of staff. This is a budget issue.

Each day was one miserable failure after another. There were 15 days plus a lifetime of knowing that all that was able to be done was not done.

My son Mike was admitted because of a growth full of pus that closed in his throat and made it very difficult to breathe and drink, and impossible to eat. They sent him ordinary trays, so we brought nutritious liquids to him. He was in emergency for eight hours before he was seen.

He was admitted and lay on a stretcher in emerg. Another patient accompanied by a police officer was yelling all night. Obviously there wasn't a bed open to put this person to relieve the added stress on all the patients in emergency. Mike was finally sent to a floor, but put along the hallway where the bright lights and hallway traffic made it impossible to rest, let alone sleep. Then he was put in an area designated as storage for stretchers. There was just a curtain across the opening; there was no call button. Next, he was put in a room designed as a lounge area with no call button, no oxygen outlets, and out of the main traffic area. How safe is this?

Finally, the doctor did the procedure in the hospital room. He poked a hole in the growth and it drained out onto the bed. The doctor told Mike that he would be in the hospital for two days. The next day, staff came in and said that they needed his room. He had to leave. Because they insisted that he had to leave immediately, he went home in his underwear and winter boots.

The citizens of Sault Ste. Marie are well aware of the code that goes out forcing those in charge of the floors to determine their least-ill person and discharge them immediately, whether they have vital things in place at their homes or not.

Patients are discharged too frail or sick, and end up back in emergency or dead because of lack of beds as a result of budget shortfalls.

Rickey, my husband, went for a prostrate biopsy at the hospital. He contacted sepsis, blood poisoning, and nearly died. SAH has a bad reputation for infections. There is a lack of cleaning staff.

My granddaughter Christyne was totally torn open from under her nose through her lip as a result of a dog bite. She was sent to Fast Track until 9 p.m. Then Fast Track closed, so the room full of patients who were there were moved to emergency. She waited in emergency for seven and a half hours, bleeding the whole time.

My niece Carol was admitted to hospital with poor circulation in her left leg. She had two operations. She got sepsis after the surgery to put in a coil. She started to bleed from the surgery area, had surgery to remove the coil and was sent home.

The next time Carol went to the hospital, she was admitted to ICU. Bill, her husband, came to see her. He saw that blood was running from under the sheets onto the floor. Bill called for assistance. If her husband hadn't been there, she would have died. Obviously, there is a lack of staff due to budget cuts.

She was told she would have to have her left leg amputated or she would die. She had her right leg amputated because the blood blew out of it during the operation. After ICU, she was put on surgical stepdown and she got MRSA in the hospital, so she was quarantined. The staff came in about once an hour, even with her history of bleeding out three times. Obviously, there is a lack of staff due to budget cuts.

She was on the rehabilitation floor for two and a half months. If they buzzed the nurse, it usually would take from 15 to 20 minutes for a response. Obviously, there is

a lack of staff due to budget cuts. She was sent home. Now she has another infection.

My friend Mary's husband Jack was admitted to hospital on a Tuesday. On Wednesday, he was moved to a treatment room at the back of the emergency area. It was noisy, away from nursing staff, and he was still lying on the uncomfortable gurney.

When Mary came to visit, she noticed that his arms were moving in an unusual way. The nurses didn't know why. Mary noticed that his legs were turning colour. The nurses hadn't noticed. He became totally agitated because of the pain. They were told that he was terminal. They agreed that he would be kept comfortable and pain-free.

On Thursday, he was put in a hospital bed on a floor at the end of a hallway. The palliative care doctor on duty didn't see him, but ordered oral meds by phone. Because of the condition of his throat, Jack couldn't swallow them.

He was trying to get out of bed. Mary had to try to physically keep him in the bed. There was no help for her, as the staff was too busy with others. One nurse told her of a medication to clear his throat, but it was past 10 p.m., so the pharmacy in the hospital wasn't open.

The toilet in the room had overflowed. It wasn't fixed until the next day. Mary was scared to leave him long enough to go to the bathroom or get something to drink. The family shouldn't have to run down the hall trying to find the nurse who is assigned to him because they have too many patients.

The palliative care doctor on duty on Friday didn't see him until late in the afternoon, two hours before he died. This was the only palliative care doctor to actually see him. This doctor said he had been busy at his office seeing patients. Obviously, there is a lack of staff at SAH.

No one came in to talk about transition to ARCH. No one came in to talk about end-of-life occurrences. The family was not prepared when they saw him foaming at the mouth, having the symptoms of a raging fever and visible palpitations in his chest.

Mary spent her last days with Jack with a feeling of total abandonment and frustration, physically having to try to restrain her beloved husband. Basically, he was left in a corner to die and the unprepared family was left to witness it. The whole family has been left traumatized by their experience at SAH. Obviously, there is a lack of staff. This is a budget issue.

These are personal stories of my family, but tragically, there are many more that could be told by other people in this community. Unfortunately, people in third world countries have to expect health care at a level that is less than it should be and conditions that don't take compassion and the patient's dignity into account. Patients in Ontario shouldn't have to.

The citizens of Ontario deserve to have quality health care. Anything less causes a lifetime of knowing that all that was able to be done was not done, and it causes unnecessary deaths. For those of us who have spent

considerable amounts of time and money raising funds for new hospitals, the news of bed closures and staffing cuts is heartbreaking and very frustrating.

The Chair (Ms. Soo Wong): Ms. Dale, can you wrap up your presentation, please? Thank you.

1050

Ms. Margo Dale: This is not what we were promised by the provincial government when we were promised a new state-of-the-art hospital and improved patient care. Thank you very much for allowing me to speak.

The Chair (Ms. Soo Wong): Thank you for your written submission. I'm going to turn to Mr. Milczyn to begin this round of questioning.

Mr. Peter Z. Milczyn: Good morning, Ms. Dale. Thank you very much for your presentation this morning. It was interesting, because we had a senior person from your hospital presenting earlier. I was just going over some of the materials. I wanted to pass on a few things to you to consider and hear your feedback.

Your local hospital, over the last decade, had about a 40% increase in funding. Our government, over the life of its tenure, since 2003, has increased health funding each and every year. This year, overall health funding is increasing by 1.2% to a record \$50.8 billion, and there's a specific 5% increase in home and community care investments. With those hard facts, it's not to say that there aren't bad outcomes in hospitals—in every hospital in the province, I'm sure we can find bad outcomes—but there are many good outcomes.

Are there specific services within your local hospital that you think need to be improved compared to other services? Do you think you're getting too much service in one area and not enough in another?

Ms. Margo Dale: I'll tell you, Ontario is the lowest supported by provincial government—the lowest province in Canada, and I find that really devastating. The same thing with numbers of nurses—they're the lowest in Canada as to having staff. These people at the hospitals are dedicated, solid people—professionals. They deserve to have the support to help the patients, because other than that, what happens is, they lack morale and there is totally stress and burnout.

As for services, all of the services here have been cut. We have waiting lists of months for services. All of the services have been cut. There isn't one service that is up to par.

Mr. Peter Z. Milczyn: I know that Minister Orazietti wants to ask you a question, but I noted that in 2014, in your local hospital, 86% of high-acuity patients received treatment within target times, and 96% of low-acuity patients received care within target times. Those seem like pretty good figures to me. There's always room for improvement; it's not 100%. But they're pretty good figures.

Ms. Margo Dale: I really don't know where you got those figures from, because when you ask the citizens themselves, that is not the reality here. It is not the reality here, not by a big stretch of the imagination.

Mr. Peter Z. Milczyn: That's how you perceive things. Minister Orazietti—

The Chair (Ms. Soo Wong): Okay, I'm going to turn to Mr. Orazietti to ask you some questions.

Ms. Margo Dale: Sure.

Hon. David Orazietti: Thank you, Ms. Dale, for your presentation and for sharing some of your personal stories here with respect to your family and informing us of that. I think that's obviously very helpful for the committee.

I think locally we know—and because the budgetary numbers are what they are—that the Sault Area Hospital, since we've come to government in 2003, has had a 46% increase in its budget. Overall, every year, the Ontario government, since we've to government in 2003, has increased the overall global spending of health care in the province of Ontario. There's not a single year, under our government, where health care spending has gone down. Now, you can take individual communities or individual examples, whether it's particular hospitals or organizations, but overall, spending each year has gone up, and we are driving more resources into community care.

What I hear from citizens in our community is that they want more care and service in the community. The hospital, for most people, is the last place they want to be, although we obviously need to make sure that the hospital has the support and the resources that they need. If we look at the numbers, more than 10,000 nurses have been hired in Ontario since we've come to government; over 4,000 new doctors; a new medical school in northern Ontario; new hospitals built in the province—services that we never had here, like cancer radiation therapy services, that were never provided here in Sault Ste. Marie before our government was in office.

What I want to ask you is: How do you help to drive, or do you think it's important to drive resources into the community so that more people can receive services closer to home? Do you think that should be a priority of the government, or should we continue to—because we have to choose; there are finite resources. There's not a limitless amount of money to put into health care. How do you think, between long-term care, home care—on the continuum of care for residents—that those dollars should be allocated?

Ms. Margo Dale: I think it's a travesty to pit one service against another, in that you're trying to have hospitals competing with long-term care or competing with home care. That is not ethical. The fact is, these other things are not in place and our patients now are needing the services. You can't send a person out of the hospital to a long-term facility where the people aren't trained to deal with dementia and violent patients. It is just criminal. The whole thing has to be revamped and your funding formula has to be done differently.

Hon. David Orazietti: Okay. When I was elected in 2003, I had a lineup of people in my office because they couldn't get their mother or father home care services—no one would come to see them—

Ms. Margo Dale: Three years' wait it is, here.

Hon. David Orazietti: They had to go into the hospital because no one would come. I don't have those kinds of lineups in my constituency office—

Ms. Margo Dale: There is a three-year waiting list here now.

Hon. David Orazietti: I'm telling you from my experience in the community to get those services. We're not talking about pitting one area against another. What we're talking about is the reality that there is a limited amount of resources that we can spend on health care services, and we're trying to allocate that as best we can. So putting more resources into community supports I know is making a difference in the lives of people in Sault Ste. Marie.

I appreciate the time that you've taken to come here today for your presentation.

The Chair (Ms. Soo Wong): I'm going to stop here. Thank you very much, Ms. Dale, for your presentation as well as your written submission.

SAULT AND AREA HEALTH COALITION

The Chair (Ms. Soo Wong): The next group before us is the Ontario Health Coalition. I believe the Clerk has the written submission for the committee members. Good morning. I believe—I hope I've got the name right—is it Folgo?

Mr. Folgo Della Vedova: Yes.

The Chair (Ms. Soo Wong): Folgo—is it Vedova?

Mr. Folgo Della Vedova: Della Vedova, yes.

The Chair (Ms. Soo Wong): Thank you. Welcome. As you heard, you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questions will be coming from the official opposition party. You have 10 minutes. Will you please identify yourself for the purposes of Hansard. You may begin.

Mr. Folgo Della Vedova: Good morning, Chair and members of the committee. My name is Folgo Della Vedova. I'm a retired principal of St. Basil's school in the community here, and I'm here today as the past chair of the Sault and Area Health Coalition and I'm representing that organization.

My presentation has two objectives: one, to provide evidence and personal accounts demonstrating a profound need to restore critical hospital care services in our community and across the province, and two, to implore your committee to recommend to the provincial government adequate funding to our public hospitals and long-term-care facilities and services.

The following patient disclosures and grave concerns have been revealed to me and other representatives of the Sault and Area Health Coalition. These cases occurred in our community and are as recent as days, weeks and months ago. They are typical of many ongoing patient health care experiences.

Case 1: Ray was told in May 2015 that he had an enlarged prostate requiring a surgical procedure and he would be placed on a waiting list. When he could not urinate, he was administered a catheter that is still with

him today. Each time he contracted an infection he was given antibiotics that often required changing as each one became ineffective. He is scheduled to have surgery in February of this year, hoping that it will not be postponed. If realized, this would mean that he would have been waiting for 10 months, suffering from those needless infections, discomfort and a real possibility of increased health risks.

Case 2: A volunteer of the hospital reported that she saw many patients who did not get opportunities to eat. She had seen some patients cry with hunger. Sometimes the patients could not feed themselves because they were too weak. Sometimes the patients had tubes that were not long enough to allow patients to reach the tray. No one checks to see if patients have eaten because no staff is assigned to feed patients. She saw food go into the garbage. It is expected that family members, friends and volunteers will assume feeding responsibilities.

Case 3: A woman reported that her hospitalized husband had a prostate problem requiring a urinary bag. At one point, she had to call a nurse to say that the bag was completely full. She knew that there were not enough nurses around to assist. Now her husband needs prostate surgery and was told there is a six-month waiting period.

1100

Case 4: Another woman came to us with this story. She said that her husband's behaviour was so unusual and troublesome that she brought him to the hospital. The emergency doctor told her that he was in delirium crisis mode and would need to be temporarily placed in an emergency lockdown room. They later moved him to a bed on a floor where he walked out of the room and began taking items out of the supply room. He thought he was in his garden. After four days, he was discharged and placed in his wife's care. She is a senior citizen with health problems of her own and cannot take care of him properly.

Case 5: Gerald told us that his wife had bladder cancer and on September 11, 2015, she was taken to the cancer clinic. The cancer clinic said that she would be admitted to wing 3B, but at 6 p.m. she was sent to emergency because the clinic was closing for the day and there was no space on 3B. She waited 140 hours—that's from September 11 to 14—in emergency for a medical bed on a floor. She was placed in a small alcove with a curtain across it while suffering from extreme diarrhea. Getting on and off a commode to access the bathroom down the hall was very difficult in her weakened condition. Also, the lack of privacy made the situation almost unbearable.

She was finally admitted on to wing 3B, where, at that time, a stool sample showed that she had *C. difficile*, a very infectious disease. She was not quarantined at the clinic or at emergency. She was in the hospital for 51 days. She could not go to ARCH, our local hospice, with *C. difficile*. Once cleared, she might have gotten there sooner, but the stool sample that they sent the last time for testing was too small to test. She eventually remained at ARCH for 14 days. The misery of her last days at Sault

Area Hospital has made the grieving process very difficult.

Case 6: A man stated that he suffered a heart attack on a Monday. There was a 100% blockage of a coronary artery and major blockage in others. He was told that Sault Area Hospital had arranged transportation to St. Michael's Hospital in Toronto for surgery. Twice per day, from Monday to Thursday, he was prepared by the Sault Area Hospital staff to go to St. Michael's Hospital until, on the last day, he was removed from the transportation list because of a higher-priority case. There was no transportation available, even though St. Michael's Hospital was ready to receive him.

Case 7: Another person stated that he had to wait at least six months for hip replacement surgery.

Case 8, final case: A senior citizen relayed that he is on a waiting list for a nursing home. He said, "I was told that there is a three-year waiting list."

The citizens of Sault Ste. Marie and area are appreciative and proud of our new hospital, its facilities and dedicated physicians and staff. We acknowledge that our provincial government has put tax dollars to good use in our community in this respect. However, we understand too that new bricks and mortar and staffing alone comprise only part of the challenge to achieve quality health care that is universal, accessible, timely and effective.

The missing key components are adequate funding, staffing and resources from the Ministry of Health and Long-Term Care to meet patients' needs. The patient cases described above are clear and real examples that the status quo in health care is not and has not been adequately and effectively meeting the needs of patients.

On December 17, 2014, it was announced that Sault Area Hospital, in response to a \$10-million shortfall in provincial funding, would streamline its services and cut an equivalent of 35 full-time positions and seven part-time positions by 2016. Thirteen of those eliminated positions are full-time registered nurses and one part-time registered nurse. Sault Area Hospital stated its intent to close 20 acute care beds and cut down on admissions by establishing a medical outpatient clinic. At the end of December 2015, CEO Ron Gagnon reported that Sault Area Hospital has an operating deficit now of \$200,000. This may appear to be good news, but it is not.

Departments across the hospital have been cut, including operating rooms, ICU, oncology, surgery, hemodialysis, infection control, patient care coordination, nursing and personal support. More than 59,000 hours per year of nursing and direct patient care have been cut and, in 2015, 56 beds were slated for closure. This is despite the fact that Sault Area Hospital has been in a fairly constant state of over-capacity, according to Ron Gagnon, Sault Area Hospital president and CEO.

The most recently announced cuts, as of this January, at Sault Area Hospital include one full-time registered nurse and one bone health nurse, along with the funding to that program. In wing 3C, the 40 acute medical beds are now divided into 20 acute short-term beds and 20 beds scheduled for the overflow unit. That's an additional

20 less acute medical beds this year—this month, actually.

It was also announced that as some of the registered nurses retired, they would be replaced with registered practical nurses. Wing 1B, a 30-medical-bed unit, remains closed as these beds are considered non-funded beds.

The hospital continues to experience on a regular basis 10 to 30 patients waiting in the ER for medical beds. Parking fees, by the way, just went up by \$1—that's a 20% increase—making it a \$6 fee. Sault Area Hospital's president and CEO, Ron Gagnon, stated this Monday that the government's decision to cap Ontario hospital parking rates means health care facilities must steer toward other means of securing dollars necessary to maintain standards of care: "We look at" parking fees "as a way to sustain quality health care." He further stated that hospital funding has changed "dramatically," pointing to no increase to base funding over the last four years and heading into the fifth year of frozen hospital budgets.

I present to you three recommendations. We are deeply disturbed at the devastating cuts we are seeing to needed public hospital and long-term care in our community. Therefore, our health coalition is calling on the Ontario government through the standing committee to:

(1) stop the devastating cuts to our Sault Area Hospital;

(2) stop the privatization of our local hospital services; and

(3) restore our public hospital funding formula to at least the average of all the other provinces in Canada.

Ontario currently ranks at the bottom of the country in public hospital funding per capita and eighth out of 10 provinces in hospital funding as a percentage of the provincial GDP.

I thank the Chair and members of this committee for conducting these consultation hearings across the province and for including Sault Ste. Marie on your busy schedule. I am appreciative and grateful to you for providing me the opportunity to speak before you today. Thank you very much.

The Chair (Ms. Soo Wong): Thank you very much. I'm going to turn to Mr. Barrett to begin this round of questioning.

Mr. Toby Barrett: Thank you for that very detailed presentation. It's a lot to absorb and I appreciate everything documented in this brief. This is the third presentation we've had with respect to the hospital, as you know, this morning.

Mr. Folgo Della Vedova: Thank you.

Mr. Toby Barrett: We know that the funding has been frozen for four years, and the label is "activity-based funding" rather than "global funding." I understand the hospital representative indicated that didn't take away local decision-making so much within the institution, but I'm wondering—two of your recommendations are asking for more money and the third one is to stop the privatization. I don't know whether you listed the

services that have been privatized in the hospital. What are they?

Mr. Folgo Della Vedova: I think there are some of those in the larger report that you have there.

Mr. Toby Barrett: Yes. What would they be? Is this all stapled together? I guess I haven't gone through all of this.

Mr. Folgo Della Vedova: There are privatized clinics showing up here and there. In some cases, you have to pay additional fees for a variety of services related to health care, whether it's physiotherapy, those kinds of services. Are those the ones that you are making reference to?

Mr. Toby Barrett: Yes. You mentioned "stop the privatization of our local hospital services." I just wondered—

Mr. Folgo Della Vedova: In some cases where you had blood tests and things going on at the hospital, for example, some of those are no longer there. They're no longer presented as they were before, so now you have to go outside the hospital, and in most cases you're paying additional costs above and beyond what OHIP would cover.

1110

Mr. Toby Barrett: Yes, we certainly have private hospital blood testing services. As you mentioned, chiropractic services, optometry; there have been changes in a lot of those—

Mr. Folgo Della Vedova: Yes.

Mr. Toby Barrett: —not necessarily right in the hospital.

Beyond your three recommendations, any other specific recommendations beyond increasing the budget? I think you made mention that this Ontario government has, I understand—I don't know how significant this is; it's more of an emotional thing—put a stop to the increases in the parking fees, but the issue is much bigger than that, obviously.

Mr. Folgo Della Vedova: There's another example where we're subsidizing our public health care by charging people parking fees. And now, with a cap, there is going to be less revenue coming out of that particular practice. But it saddens me to think that we have to use parking fees to subsidize our health care system in this province.

Mr. Toby Barrett: My colleague just mentioned bed closures, which you've outlined. Mr. Fedeli, I think, has a question on that.

Mr. Victor Fedeli: I just wanted to get an accurate number of the bed closures. In your written speech you talked about 20 acute beds and then in the submitted one it talks about 20 here and 30 medical bed units. Can you just give me a number?

Mr. Folgo Della Vedova: As early as the day before yesterday, I spoke with representatives of ONA, the Ontario Nurses' Association, who work very closely with the hospital. As recently as this month, 40 medical beds have turned into 20 medical beds and 20 of those 40 are now assigned to overflow beds on a particular floor. Does that clarify the 40 and 20?

Mr. Victor Fedeli: I'm just trying to get a number—oh, I see the 40 now. There's also another reference to wing 1B: 30 medical beds remain closed.

Mr. Folgo Della Vedova: Yes.

Mr. Victor Fedeli: What does that mean?

Mr. Folgo Della Vedova: That means beds are there, but they don't want to use them because as each bed is used in a particular room, it's going to cost a given amount of money.

Mr. Victor Fedeli: So how many altogether in the facility are closed? I'm just trying to get an idea.

Mr. Folgo Della Vedova: When it was announced in late 2014, I think there were 56, if I recall correctly. Yes, 56 beds were slated for closure in 2015.

The Chair (Ms. Soo Wong): Mr. Della Vedova, your presentation time is up. Thank you for your written submission. If there's any additional information you want to submit to the committee, you have until Tuesday, February 2 at 5 p.m. to submit it to the Clerk.

Mr. Folgo Della Vedova: Thank you very much. I appreciate it.

The Chair (Ms. Soo Wong): Thank you for your presentation as well as your written submission.

SAULT STE. MARIE ECONOMIC DEVELOPMENT CORP.

The Chair (Ms. Soo Wong): The next group coming before the committee is the Sault Ste. Marie Economic Development Corp. I have Tom Dodds, chief executive officer. The Clerk is coming around with your written submission. Mr. Dodds, you may begin any time. Please indicate who you are for the purposes of Hansard. You have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from the third party.

Mr. Tom Dodds: Thank you very much. My name is Tom Dodds and I'm the chief executive officer for the Sault Ste. Marie Economic Development Corp. On behalf of the corporation, both our directors and staff, we welcome the committee to Sault Ste. Marie and thank you for taking the time to come to this city in northern Ontario as part of your budget planning process, and thank you for the opportunity to share our thoughts.

I think some of this is going to be a familiar refrain to some of the folks on the committee, and certainly there are faces around the table that are not strangers to me. We particularly appreciate your making the effort to come to the north and in what I would characterize in the dead of winter, perhaps an ironic and appropriate metaphor for the extraordinarily challenging global, financial and economic climate that Ontario and this Legislature must consider through its budget process. I venture to say that nowhere is that more plainly evident than here in Sault Ste. Marie.

My remarks—which you'll find occasional typos in, by the way—will broadly focus on three areas: recognizing the extraordinary impact that the Ontario government's economic, financial and fiscal management

policies and programs have on this region and community; an expression of our gratitude to the province and particularly the Ontario public servants who live in the region, call it home and have contributed to its growth and development.

Our need and our discussion are going to focus on five areas: supporting industrial sectors in each of Ontario's economic regions, particularly those of strategic importance to the province and the country's global competitiveness over the long term; strategic infrastructure investments throughout the province and support for Ontario and this region's economic growth; attraction and development of human resource talent to the region; ongoing assistance to communities in transition who, as a result of structural changes in the economy and perhaps as a result of provincial policy changes, may be facing a highly uncertain economic future; and finally, encouraging this committee and the Legislature to remain focused on tackling the deficit and provincial debt.

Before I get rolling, I just want to share with you a bit of my background. I'm a kid from New Jersey who moved to northern Ontario. I married a girl from the Soo. I have spent most of my career in economic development at the provincial, federal and, for certain periods of time, with First Nations in this area. So I come at it from kind of a two-lens state: that you can never really quite unravel how the economy operated because it's so highly integrated and such remarkable sectors there, to a single-industry town where there's reliance on steel and growth of this community. Like many communities in northern Ontario, it is very tangible to see how the economy works.

I would argue that the growth and development of northern Ontario, more than any other region, is shaped by government decision-making. Certainly, in the Soo, that's no more evident. If you look at things historically, the growth of our natural resources, railways into areas and the combination of partnerships of businesses, entrepreneurs and the government of Ontario have all aligned to allow the growth of this area. We have living examples of that, some more recent, some of previous governments: the Northern Ontario Relocation Program; the Ontario Lottery and Gaming Corp, a critical investment in this area that derived and has benefited growth of the knowledge-based economy and really sustained this economy in areas that we wouldn't have otherwise; the participation of the government of Ontario in ways that probably people don't appreciate in the restructuring of Algoma/Essar Steel—and unfortunately, it's the third time, but we hope that they will continue, and I'll get into details of that; Algoma Central Railway; of course, Roberta Bondar Place, next door; the growth and development of the port of Algoma, probably the most recent and most significant infrastructure; and your continued support of NOHFC, MNM and MNR. These are really quite important to us, and I think we are tied hand in hand.

In terms of provincial return on investment in these kinds of efforts, you've got a strong OPS, and the

presence of ministries and crown corporations is critical to the growth and development of the north; your support for post-secondary education and, for that matter, education generally; supporting the opportunities for knowledge-based workers; growth and diversification and the transition of economies in the north; leveraging private sector investment—and next week, I'll be passing the baton to a company that is highly successful, as an example here, where the government of Ontario, the government of Canada, and the municipality and the economic development corporation supported the efforts to establish what was then G-P Flakeboard, which is now owned by a multinational, Arauco, a highly successful company in Sault Ste. Marie, but a classic example of the kind of efforts that we've done together.

I think also that one of the key points that I wanted to make in terms of some of the things that we've done is talk a little bit about the support and significance of the contributions of the province. We really have done well in terms of the employees. We have a very strong team in the Ministry of Natural Resources, the Ministry of Northern Development and Mines and other ministries that have come in, and they really have got an experienced team in front of them. I wanted to speak to that particular matter. That significant contribution has really helped us align a little bit better with our priorities in growth on a global basis. Building that capacity is critically important.

1120

One of the other areas that I wanted to talk to you about was this matter of strategic sectors, specifically the area of steel. I think it's at a critical stage for the province and the country. Really, the question is: Does Ontario and does Canada want to continue to have steel manufacturing capacity? It's a remarkable economic multiplier. Depending on who you look at, it's between three and seven times in terms of investment. China is capable of producing all the steel the world needs. Really, the question is: Where does Canada, and where does Ontario, think they should be engaged in continuing that capacity in this country and in this province?

Unfortunately for us right now, we have sort of a perfect storm of negative financial and market conditions. This restructuring is much different than the others in the past. Inevitably, the province will have to be engaged in one fashion. I think you've heard previously about some of the priorities that the company has in its process, but I think there are some real changes. Certainly the province has been involved in addressing this before, notably pensions. But I think there's a more fundamental question on strategic priorities for the province, and what does it see for sectors like the steel industry and what does that mean for them?

Another comment I would make with regard to strategic infrastructure investments is that we very much encourage alignment with the federal government programs. We look at the long term in terms of investment, the focus on global competitiveness, and long-term growth for the region. Also, take a look at the role that

transportation investments have. As part of the Growth Plan for Northern Ontario, there's a multi-modal strategy, and I know that the focus has looked historically on the transportation activity that has occurred and tried to map that out, but I think it really needs to look at transportation infrastructure in terms of growing and improving the efficiency and the access to resources, markets and products. The Ring of Fire, of course, is one example, but there are other areas as well. We'd encourage you to take a look at the port of Algoma.

Finally, in terms of Sault Ste. Marie, it is a community in transition. Unfortunately, last year was probably the worst employment situation that we've experienced in the last 20 years—I should say “as of last year,” unless there has been a huge change in the last month, which I doubt. We probably have the smallest number of people employed in the last 20 years; the lowest participation rate—less than 50%; the smallest labour force; and significant losses from last year. There's a market change. Unfortunately, 2014 happened to be a very good year for us. We got an excellent credit rating—probably the envy of many provinces—of an AA-. I don't think that's going to be the case here.

The modernization of Ontario's lottery and gaming is a big question mark. It's a risk and an opportunity, but I think it's important for that to be taken into consideration.

The Chair (Ms. Soo Wong): Thank you very much, Mr. Dodds. I'm going to turn to Ms. Fife to begin this round of questioning.

Ms. Catherine Fife: Thanks very much, Tom. You covered a lot of issues. I want to say that we're appreciative of your comments, in particular around infrastructure and the investment that's needed in infrastructure. We heard this loud and clear in Thunder Bay yesterday from a variety of delegations. I think that the infrastructure piece, the transportation piece, is a key to connectivity, which is obviously key to productivity. Yet there are some gaps, even in the maintenance of the current stock of roads that we have currently in Ontario.

Are you familiar with the Auditor General's report, which found that the Liberal government was using performance-based contracting out and procurement processes for the maintenance, particularly for the northern highways, and that those highway maintenance contracts were not kept up to par?

Mr. Tom Dodds: I'm familiar. I guess I look at it from two perspectives. First of all, I've been on the roads so I know of what you speak—

Ms. Catherine Fife: So you know. You don't need an Auditor General's report.

Mr. Tom Dodds: I don't need an Auditor General's report to understand the challenge. But I do think the intent was correct, which was to reduce costs.

Now, the question is, is there an appreciation of what maintaining roads in northern Ontario is like? Again, I argue—and I think the member from Sault Ste. Marie would agree—that the issue of roads is really critical to our region, and that investment is worth recognizing. It's

not unlike the investments made in southern Ontario for mass transit. The lifeblood of the north is the ability to move from resources to market.

Ms. Catherine Fife: Absolutely. That's actually the point that I wanted you to make, so thank you very much for that.

Go ahead, Michael.

Mr. Michael Mantha: Things are different up here. I think you highlighted that quite well. It's something that I recognize, being a member from northern Ontario.

If we're going to attract new investment, if we're going to attract industry, if we're going to attract development in northern Ontario, how much of a hindrance—do you see the electrical prices putting us at a disadvantage here in northern Ontario, with the constant increases that are happening to them?

Mr. Tom Dodds: Bear in mind that I'm wearing an economic development hat, and I'm sandwiched between two provinces that offer much, much lower prices in energy. I'm grateful for the program—and I certainly hope that it continues—that helps support northern Ontario industries. I think that's absolutely critical. Without that, we would not be competitive. It's a huge cost.

But at the same time, it is a real challenge. I understand why the policies were done before. I also recognize at the same time that it's unsustainable—I shouldn't say that. We can't be successful if we don't have all of our various inputs to any business competitive.

Mr. Michael Mantha: I think you just touched on one of the points I wanted to raise, which was the northern industrial energy program. Having Company A, who has benefited and who was up and operating when the program was available, versus Company B, which is now a new company, which is at a disadvantage because they are not eligible for the NIER Program, has caused an enormous amount of costs and uncompetitiveness with their competitors. It's difficult to attract those individuals and to let them know, "Listen, come to Ontario. We're here and we're available to you."

Your thoughts on, first, the impacts, whether positive or negative, in regard to the ongoing pursuit of the sell-off of Hydro One: How is that going to affect us as far as development in Ontario as a whole?

Mr. Tom Dodds: First off, I'd say that perhaps I'm not as knowledgeable as I should be about the details of that. I would just say, in the simplest of terms, the lower the energy prices that we can achieve, the better.

I understand there have always been issues. We have a whole argument to make around energy, global warming and economic development. I would suggest that, for example, the ability to keep the distance between the production of energy and the location where it's being expended as tight as we can—I would use Essar Steel Algoma as a perfect example. We can have steel produced in China. It will take three months to get over here. It's being produced in an area that has got an environmental record that we don't need to talk about. It comes over here and it causes all sorts of challenges. But it really affects the price.

Then we have companies that are within the Great Lakes region that could be easily accessed. So the carbon footprint that's reduced by simply making some adjustments to that incenting can be very, very helpful. We've got remarkable renewable energy resources in the north.

My thought is, how can we get from where we have prices now to where we have prices that make us competitive? I don't have all the answers to that. I see there is a role for government, perhaps more strongly than it has now. I find that the analogy that we used in terms of delivery of service as it relates to maintenance of roads—there are some parallels with that on the production of energy as well.

There is a role for government to play in that. I think there's a levelling of the playing field that needs to be required—

The Chair (Ms. Soo Wong): Mr. Dodds, thank you for your presentation, and thank you for your written submission.

Mr. Tom Dodds: Thank you for your time.

OPSEU

The Chair (Ms. Soo Wong): The next group before us is OPSEU: Mr. Jeff Arbus. Good morning, Mr. Arbus.

Mr. Jeff Arbus: Good morning.

The Chair (Ms. Soo Wong): I think the Clerk is coming around with your business card. Welcome. As you probably heard, you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from the government side. You may begin at any time. When you begin, please identify yourself for the purposes of Hansard.

1130

Mr. Jeff Arbus: Thank you. Good morning and welcome to Sault Ste. Marie, those of you from out of town. I'm Jeff Arbus. I am the regional vice-president for the Ontario Public Service Employees' Union—OPSEU—for an area that we call Region 6, which is northeast Ontario. As a member of OPSEU's executive committee, my remarks today do represent OPSEU.

I'm going to focus on public health care, as other presenters will no doubt comment on the devastating impact of frozen levels of spending on other public services such as corrections, environment and northern highways, to name a few.

Our public health care services are suffering from obscene levels of underfunding across all areas. How bad is it? Last year, my daughter went to emergency at the hospital for a medical condition that they confirmed was, indeed, an emergency. It was three hours before she saw a doctor, four-and-a-half hours before she got a bed in emergency, and she lay in that bed, in the hallway of the emergency department, for 43 hours. It got so bad and there were so few staff that, because her bed was in the hallway near the entrance, she found herself giving directions to people who were coming into emergency to see family members. This is not an uncommon occurrence in northern hospitals. How can anyone justify this?

Another example: Last year, a friend of mine was admitted for cancer treatment. When I would visit her, I noticed a man in a bed in an alcove in the hallway of the unit. The alcove was originally designed to store carts for the staff. This poor fellow, middle-aged and being treated for cancer, lay in his bed in this alcove, in full view and with no chance to even dim the lights, for several weeks. There was no other bed. Yet not far away, there was another unit recently closed in order to cut staff. I've learned that this is not uncommon in Ontario hospitals and has become increasingly common in the past 10 years. How can anyone justify this? How can anyone claim that these are tolerable situations? Would you tolerate any of this if it was your partner or your child?

Because of corporate tax cuts under both the Conservatives and Liberals over the past two decades, the Ontario budget is short, by some estimates, by up to \$20 billion a year. Corporate taxes are too low to maintain the quality of health care and services that Ontarians expect and deserve, and yet we can afford public health care services. Ontario's GDP per capita is at high levels. The next generation faces a bleak future with the rise of precarious employment, and yet corporations are sitting on billions in dead money that is not being spent to create jobs. The average salary of the top 100 Canadian CEOs is now nearly \$9 million a year.

There is money in the province. We can afford public services and are better able to afford them than we have ever been before. But we are not getting that kind of leadership. Instead, in the north we get this:

—New Liskeard closes its operating room for 50% of the time, one in 10 of the total staff gets cut in an isolated community with few options for patients needing these services;

—Timmins, in October, cuts 26 remaining beds, 16% of their total; closes physio; cuts 40 staff;

—North Bay cuts mental health rehab with no community services to pick up the load, and also cuts as much as 300 staff, including nursing, lab techs, social workers and other direct care providers; and

—here in the Soo, cuts of 50 beds, including acute and complex care, all in a hospital that is in code gridlock the majority of the time, and cuts to emergency have resulted in an additional 200 hours of paramedic time wasted on delayed offloading.

It is not just nursing staff being cut. Social workers, occupational therapists, lab techs and diagnostic imaging techs have also been cut. North Bay hospital is a major example of severe cuts to these areas, again, with inadequate or absent services to pick up the slack created by these cuts.

So people suffer, communities suffer, nowhere more vividly than in the north. The north is especially hard hit, since we have rural areas and challenging transportation distances and inclement weather. More and more people feel punished for simply living and working in the north.

I ask, where is the show of concern from Ontario's Liberal government? When will they say, "Enough is enough," and provide the needed funding increases?

Well, they will say—and we've heard it—"We have increased dollars spent on public health care." But they mask the truth by not factoring this against inflation and by including dollars specifically earmarked for special projects, not always about global direct patient care.

The government has continually put forward privatization as a solution to underfunding problems, yet rather than fixing the problems, privatization is making them worse. Ontario's for-profit nursing homes have a mortality rate that is 16% higher than non-profit homes and a rate of hospitalization that is 33% higher. Home care privatization is out of control, and we hope that the current review will realize that public and non-profit providers are best placed to provide home care.

The government has now made it easier for private clinics to provide medical procedures, such as cataract and colonoscopy services, previously provided by hospitals. We know that patients have been charged user fees in contravention of the Canada Health Act, and that self-referral continues to be a problem. Practically all laboratory testing has been privatized, increasing the hardship for those in rural areas. Physiotherapy services continue to be cut from hospitals and transferred to private providers. Right across the system, we are seeing privatization that is costing more and delivering less.

Privatization has failed to deliver on its promises to the public. It has only succeeded in delivering huge profits to companies like CarePartners in St. Catharines, a company, like so many of them, that has made large donations to the Liberal Party.

Many of our sectors are being restructured right now, but no amount of restructuring can compensate for the disappearance of services. Base operating funding for all of Ontario's public hospitals has been frozen for four years. The Ontario Health Coalition has provided the statistics, so I don't need to go over them here; you have them. You have the sorry picture of the nature of the cuts to health care services resulting from the frozen budget.

The Canadian Association of Emergency Physicians identified that hospital overcrowding has been escalating and recommends "that governments sufficiently increase the number of functional acute care beds to achieve regular hospital occupancy rates that do not exceed 85%."

Mental health services continue to remain the poor cousin of the health care system. Since the Michael Kirby report in 2009, we are still waiting to see the implementation of a framework that will create lasting change so that our jails are no longer the mental health facilities of last resort.

The North Bay hospital cut its mental health rehab program last year, and a spokesperson told me that they knew there was no community provider. So when I asked where the patients were to go, the person shrugged and said, "Sudbury, I guess": an hour and a half drive each way, on a good day, for a person with mental health problems of a level requiring three or four professional contacts a week. I hardly think many patients will make the drive. It is shameful.

Ontario's public sector could have the capacity to do what we used to do, which is to manage public funds

effectively to deliver the programs we need. We built medicare. Privatizing the work and the oversight of the public sector as we have with public-private partnerships has been a disaster, as proven by the Auditor General, and will continue to be so.

This budget needs to turn the page on the last seven lean years of austerity and restore public health services and confidence to their proper place as a vital, vibrant and healthy part of every Ontario community.

Thank you for your time today.

The Chair (Ms. Soo Wong): Thank you very much. I'm going to turn to Ms. Hoggarth to begin this part of the questioning.

Ms. Ann Hoggarth: Good morning, Mr. Arbus. How are you today?

Mr. Jeff Arbus: Good morning. Fine, thank you.

Ms. Ann Hoggarth: Thank you for your presentation. As a former union leader, I thank you for your hard work that you do on behalf of your members.

In the last three days, we have heard from many OPSEU members, mainly correctional officers, and parole and probation officers as well. I do understand your concerns. We have heard people's concerns in the last four days about the issues that you've talked about. As my colleagues have said, the health budget has risen quite a lot, not just since 2012 but in the last couple of years as well.

I'm going to turn it over to Minister Oraziotti now to talk to you.

The Chair (Ms. Soo Wong): Minister Oraziotti, you may begin this round of questioning.

Hon. David Oraziotti: Thanks, Chair, and thanks, Mr. Arbus, for being here today. I appreciate your long-standing interest and advocacy on behalf of the members you serve, and the community as well.

1140

I want to highlight a couple of things and perhaps get your perspective on this. We have, over the last number of years, increased the number of nurses in the province by over 10,000. There are 4,000 more doctors in Ontario today. We have continued, globally, on the provincial budget with respect to health care—we're now over \$50 billion.

Granted, in the years 2005, 2006 and 2007, for example, we increased the provincial health budget at a level greater than we have in more recent years, given some of the economic pressures, but in each and every year, individually, the allocation toward the Ministry of Health and spending in the province has gone up, albeit perhaps not as much as we all would have liked it to go up.

You reference issues around taxation and corporations and whatnot. There are many examples in this province of a challenged economy. We have several steel mills, for example, that are in bankruptcy protection. We have other manufacturing jobs and companies that have packed up and left to go to jurisdictions where they don't have environmental regulations or worker standards or other higher costs associated with manufacturing. That's

a constant challenge. We're trying to ensure that we both protect the economy and keep manufacturing jobs alive here, because a strong economy helps us invest in public services.

I think we would probably all agree that we have an ongoing challenge in protecting the public sector jobs that are in Ontario today and the wages, benefits and pension investments that are currently being made by the government today. We want to keep good public sector jobs in Ontario. That has been something we demonstrated through one of the worst downturns that we've seen since the Great Depression in more recent years.

The costs around health care in particular and the transformation that we have been trying to make, which is driving more resources into the community and changing that dynamic of seeing hospitals as one-stop shopping, as the only place you could go for anything that you needed, has taken some time. We didn't get to this particular point in time, where the hospitals were seen as the only place to go—we didn't get to that overnight. That took many years.

To get to a place where we can have resources in the community that are more affordable for home care, for long-term care, for mental health services and these other types of services—I'd like to hear your thoughts in terms of prioritizing health care spending and how we can make the health care system more sustainable long-term, because clearly what was happening before was not sustainable. Health care costs going up at 10% a year was just not sustainable where it is simply a hospital catch-all process.

We have a new hospital in Sault Ste. Marie, and granted, bricks and mortar alone—we've heard that—are not significant to make a difference. But the investment in staff and the 46% that we've increased the hospital budget from 2003 to today has made a difference.

I'd like to hear your thoughts in terms of how we make health care sustainable long-term.

Mr. Jeff Arbus: Thanks, and thanks back to you, Minister, for your work as well. I travel around the north-east quite a bit. I have been in the North Bay hospital and have seen the impact of cuts to mental health services, with nothing in the community to pick up the slack. I've been in the Timmins hospital and have seen the impact of cuts there, with nothing in the community to pick up the slack. I've seen the impact of private providers in both the P3 model and private home care, and the impact of that on seniors who have difficulty navigating the system.

When you talk about placing services in the community, if what you mean is placing private providers in the community who are going to double-charge fees in contravention of the Canada Health Act, I don't think that's really right. I think we don't have a system that provides sufficient oversight. We don't have a system that supports those who are in most desperate need in our community, who are the ones really suffering.

I look at the situation for seniors and those with mobility problems just trying to access services. Physically relocating in a community may work in larger

centres where there is that sustainability, but in some of the smaller communities in the north and northeast, I can tell you that it just is not happening. Whoever is telling you that this kind of stuff is going on has not been in the same communities that I've been in in the northeast.

Hon. David Oraziotti: From my own personal experience in our constituency office over the last 12 to 13 years, I've seen a difference in terms of supports in the community, but—

The Chair (Ms. Soo Wong): I'm going to need to stop this conversation. Mr. Arbus, if you have any written submission, please submit it to the Clerk by February 2, 5 p.m. Thank you very much for your presentation.

SAULT STE. MARIE INNOVATION CENTRE

The Chair (Ms. Soo Wong): The next presenter is the Sault Ste. Marie Innovation Centre. The Clerk is coming around with your written submission, Mr. Vair.

Thank you, and welcome. Good morning. As you've probably heard, you have 10 minutes for your presentation, followed by five minutes of questioning. In this round, the questioning will be coming from the official opposition party. When you begin, could you please identify yourself for the purposes of Hansard. Welcome.

Interjections.

The Chair (Ms. Soo Wong): Folks, could you please quiet down on the right there? Okay. Mr. Vair, you may begin.

Mr. Tom Vair: Thank you. Good morning. My name is Tom Vair. I'm the executive director of the Sault Ste. Marie Innovation Centre. We're a non-profit organization and our mandate is to grow the science and technology sector in the Algoma region. I thank you for the opportunity to present this morning.

In the past year, our organization has helped to create 60 jobs and attract over \$1.8 million in funding to the community and support over 70 science and technology companies, as well as do quite a bit of work in outreach, trying to promote entrepreneurship and youth retention and youth involvement in science, technology, engineering and math careers.

We also undertake market development projects for our community related to a number of different things. We operate a Community Geomatics Centre, which has 18 staff doing projects across Canada. We are implementing the community Smart Energy Strategy. We have a game development studio. Also, we have the Rural Agri-Innovation Network working with NORDIK Institute at Algoma University, helping some of the agricultural producers in our region.

Some priorities for us, obviously, are to continue to try and grow our private sector economy here and diversify the economy in the knowledge-based world, related to careers in science and technology. We are a member of the Ontario Network of Entrepreneurs. There are innovation centres across the province that have served over 1,200 companies and this past year attracted over half a

billion dollars raised by these companies in Ontario, across all of the innovation centres in the province.

We're seeing emerging trends in our region here. We've got growth amongst our incubator clients and our SMEs in the community. We've working with global firms on projects in Sault Ste. Marie. The OLG modernization process that Tom Dodds mentioned earlier is a key priority for our community and something we're working on proactively. I'll touch base on that in a moment. We've received a lot of attention for our Community Geomatics Centre Community Information Utility model.

In terms of budget input, what I would like to say is that the province has made an investment in the Ontario Network of Entrepreneurs at the innovation centres across the province, and we would certainly ask that that support continue because we're seeing the fruits of the labour of all these innovation centres and the positive results of the companies. This also includes support for the Business Acceleration Program and Youth Business Acceleration Program that are administered through MaRS but that we access here in Sault Ste. Marie as well.

Obviously, the Northern Ontario Heritage Fund plays a critical role in our community in supporting our innovative start-up companies, and we would like to ask that these programs continue to be funded because they are being very effective in providing critical resources for the development of our innovation economy here in the north and they're making important contributions to our community in terms of job creation, innovation, youth retention and business growth.

We're also working on a couple of special initiatives here in Sault Ste. Marie that I wanted to mention. Tom Dodds touched earlier on the modernization process at Ontario Lottery and Gaming. We have over 580 workers in the head office here in Sault Ste. Marie. The modernization process can present opportunities, but could also present some risks. As a community, we have been very proactive in working to ensure that this process is a positive for our community. Obviously, with Essar Steel in bankruptcy protection, OLG is a key employer in our community, a key employer of knowledge-based jobs.

We're working on a strategic exercise now to look at how we can attract new jobs and looking at innovation happening across the world in the global gaming sector. We've been working with gaming experts as part of a gaming task force in Sault Ste. Marie, and I think we have identified some opportunities. We'll be looking to try and grow a lottery and gaming cluster in our community and work with the new proponents that are selected as part of this modernization process to do just that.

1150

Secondly, our Community Geomatics Centre has created a platform that has been recognized internationally and works across multiple sectors: social services, health, economic development, and municipal and utility operations. We've seen great value in a common data platform for the community, where information is shared.

We believe an opportunity exists to create a regional information utility network here in northern Ontario that will truly create a smart jurisdiction and bring co-ordination amongst all of our different community players to optimize the resources that we have.

Innovation takes place across Ontario, not just in large major centres but in small communities, medium-sized cities and certainly here in Sault Ste. Marie. So as new strategic initiatives are put forward in Ontario, we would ask that the government continue to remember that there is consideration given to northern communities and how we can participate in building our knowledge economy, diversifying the economy of the future and building a strong and prosperous northern Ontario. Thank you.

The Chair (Ms. Soo Wong): Great. Thank you very much for your presentation. I'm going to turn to Mr. Fedeli to begin this round of questioning.

Mr. Victor Fedeli: Thank you very much, Chair. It's much appreciated.

Thank you for the presentation. I want to ask you—in the second of the new initiatives, this geomatics centre—a regional information utility network. Can you tell us a little bit more about what you mean by that?

Mr. Tom Vair: Sure. In Sault Ste. Marie, we've been able to build a platform—and it started with our municipality and our utility working together and sharing a common geographic information system repository. We brought in social services, health care and economic development data into that database, and now we have multiple organizations using it.

We've had a lot of interest from other communities in northern Ontario: "How do we create the same thing?" What we're proposing, actually, is that we would have nodes in each of the major communities—North Bay, Sault Ste. Marie, Sudbury, Thunder Bay—and tier 2 nodes in some of the smaller communities, where data would be captured, shared—

Mr. Victor Fedeli: Utility data?

Mr. Tom Vair: Not only utility data. What we're looking at here, and what we've done in Sault Ste. Marie, is that we've got census data, health information and social service data. We've even got information about community resources—what energy projects we have in the region, and what our wood basket is in the region.

All of this data is on a common platform and maintained and kept up to date. It allows these agencies to actually access data, ask questions and solve problems in a way that is done in a coordinated fashion, which we haven't seen anywhere else.

Mr. Victor Fedeli: You also seem to have a particular bent towards entrepreneurs. I tend to agree with you, when we talk about filling the skills gap. Just think about the fact that we have 700,000 companies in Ontario. If only half of them each employed one new person, you would have solved our unemployment issue in Ontario.

Do you have any thoughts about entrepreneur training?

Mr. Tom Vair: Absolutely. We've rolled out some programs and workshops and mentorship series. In fact,

just yesterday, we had a fellow from Sault Ste. Marie, who has opened a business in Halifax, do a business workshop here in Sault Ste. Marie. We have ongoing training programs.

To your point, where we see opportunity and growth is—a lot of our start-up companies and small companies are just at the stage where they're starting to go global. Providing them with resources—and there are some new programs that have been made available—to assist them in exporting their goods and services, helping them navigate attracting new clients in other jurisdictions and using the trade network that is out there is a critical point of helping our companies grow.

Mr. Victor Fedeli: Your last point that you made: "As new, large programs are announced in economic development or research, consideration must be given to how northern Ontario can participate."

I take your point. The Auditor General was very clear in her report that came out in December that of all the billions that were announced, none of it was for northern Ontario. Since that Auditor General's report came out, we have done an analysis back to 2010, and we found only two grants since 2010, of all those billions, that actually came to northern Ontario. So your point is very, very well taken. I'm not sure I can presume that what you were referring to in that was the Auditor General's report.

Mr. Tom Vair: There's the Auditor General's report. Also, we looked at other countries. The Scandinavian countries do a pretty incredible job of creating research institutes around their entire country, in smaller communities spread across their entire country. Because of Ontario's vast geography, I think there's a tendency for a lot of these things to happen in southern Ontario, but we've shown through our initiatives that we can attract skilled people and we can take on innovation in northern Ontario. I think that that's something that should be supported.

Mr. Victor Fedeli: I think our job as legislators, and northern Ontario folk as well—I'm from North Bay; I represent Nipissing—is to make sure that we bring that Auditor General's report to light and shine a light on the fact that those funds have been really centralized. Again, I followed up with the research. We're going to present that in the Legislature when we return: that there was one in 2010 and one in 2011 and no others. It's going to be, I think, a major revelation, so I thank you for presenting that here.

Mr. Tom Vair: Thank you very much.

The Chair (Ms. Soo Wong): Thank you very much for your presentation and your very brief, concise report to the committee. As you can appreciate, we have lots of reports. Thank you for your presentation, and have a great day.

I'm going to turn to the committee to see if there's any business before we recess for lunch. Ms. Albanese?

Mrs. Laura Albanese: Thank you, Chair. I would like to ask for unanimous consent for the Sault Ste. Marie

Chamber of Commerce to present to the committee this afternoon.

The Chair (Ms. Soo Wong): Okay. Do we have unanimous consent? There's no debate; just yes or no. All those in favour? Opposed? We're going to go ahead. Mr. Clerk, you can contact this particular witness, and they can come as the last presentation, at 3:45.

We're going to recess until 1 p.m., everybody. We'll see you after lunch.

The committee recessed from 1203 to 1300.

DOMTAR

The Chair (Ms. Soo Wong): Good afternoon. We're going to resume the Standing Committee on Finance and Economic Affairs with pre-budget consultation hearings.

I believe the first group before the committee this afternoon is Domtar. Is Annabeth Reitter here? Good afternoon. Welcome.

Ms. Bonny Skene: Good afternoon.

The Chair (Ms. Soo Wong): Welcome to the standing committee. I believe the Clerk is circulating your presentation and written submission, so thank you for doing that.

You have 10 minutes for your presentation, followed by five minutes of questioning. Shortly, my colleague from the third party will be joining us, so you may begin at any time. When you do begin, please identify yourself for the purposes of Hansard.

Ms. Bonny Skene: Thank you, Madam Chair. Good afternoon. My name is Bonny Skene. I'm from Domtar. I'm the regional public affairs manager for Domtar in Ontario and British Columbia. My colleague Annabeth Reitter extends her regrets.

On behalf of my colleagues at Domtar, thank you for affording us the opportunity to address the standing committee. As you may be aware, Domtar is a leading provider of a wide variety of fibre-based products, including papers, pulp and personal hygiene absorbent products. We have approximately 9,800 employees, serving over 50 countries. We're driven by a fundamental commitment to turn sustainable wood fibre into products that people use every day.

We've circulated a slide deck—it's very brief—that I'd like to take you through, if you wouldn't mind following along.

In Ontario, we have two operations. The first one is at Espanola, and it is a specialty paper mill, producing about 340,000 tonnes of pulp annually and about 63,000 tonnes of specialty paper. When we talk about specialty paper, we talk about food wrappers, muffin cups, surgical gowns—that type of thing. We employ 550 people at the mill in Espanola, and it is a regional hub of activity and an economic driver for the region. Suppliers include local sawmills, and there are about an additional 100 people employed in supplying fibre in the form of logs to the mill and another 800 in terms of transportation.

The economic integration—and I'll get into this a little bit later—is very important when you consider a pulp

mill, because its source of fibre is sawmills, so those who are producing lumber. The pulp mills take the waste. When you think about economic impact, it's quite a reach.

On the next slide is a photo of our Dryden pulp mill, which produces about 325,000 tonnes of softwood pulp annually, employing about 340 people at the mill and another 450 either in harvesting or transportation-related jobs having to do with the harvesting of fibre. Dryden manufactures softwood pulp, primarily for coated-paper customers like magazines, and, also, household products like tissues and towels.

On slide 4, we really want to stress that—and this is not specific to any area of policy, but in general—we find that generally there is a need for political direction to come to ensure policy choices, whether they be financial or other, and recognize that the pulp and paper sector is the platform for a long-term bio-economy in Ontario. We all talk about the bio-economy, and pulp mills really serve as an anchor or the hub of that kind of model. A viable pulp mill anchors the region's economy, as I said, by utilizing waste streams, or the leftovers—the sawdust, the chips—that come from the regional sawmills. It's a symbiotic relationship because the sawmills need an outlet for those chips; otherwise, they become an environmental issue, and the pulp mills need it for raw material for the products that go into that. When we say that it's an integrated industry, that's what we mean. It's that symbiotic relationship where we're interdependent.

On slide 5 you'll have a short overview of Domtar's operations in North America. These are manufacturing operations in pulp, paper and personal care. The two red dots: In Canada you'll see one at Kamloops, British Columbia; the other at Dryden, Ontario. Those are our market pulp mills. The blue dots are paper mills. You'll see the dot there in Espanola. Those are our two Ontario operations.

The key point on this slide is that our Ontario operations compete with those sister mills for investment dollars. That's why we're keenly focused on ensuring that we have competitive hosting conditions for those operations in Ontario so that we can attract the capital investment that is required to maintain the operations, but also as we start to think about this concept of the bio-economy, attracting those investments that will lead to the next generation of bio-refining, if you will.

When we talk about priorities for success on slide number 6, a key priority is ensuring a reliable, cost-effective, sustainable wood supply. Two points for the consideration of this committee that we'd like to bring forward: ensuring that the Crown Forest Sustainability Act is not diluted as the underpinning of sustainable forestry in Ontario. That act has been in place for many years. It serves a purpose. When you look at our footprint, we operate in many, many jurisdictions. We can tell you that the framework for sustainable forestry is very robust in Ontario.

We also have worked with the government to improve the competitiveness of electricity pricing for industrial

members of the northern economy. We would encourage this committee to consider continued support for the Northern Industrial Electricity Rate Program. There has been a commitment made through 2017. We would certainly support that being continued.

On slide 7 we'd like to highlight just a couple of key points that we think are very important from a context standpoint when we start to talk about another topic, and that is carbon policy and cap-and-trade. When you think about the forest sector in Ontario, 80% of energy requirements are already met with renewable cogeneration from biomass and from wood. As a sector, we're able to do that because it's the nature of the pulping operation that causes that to be so. We generate 50% less greenhouse gas emissions per tonne of product than the average competitor in Asia. That's an important point when we start to talk about leakage to other jurisdictions. There has already been a 30% reduction in greenhouse gas emissions achieved. In the big picture, as a sector, we represent just less than 2% of Ontario's total industrial greenhouse gas emissions. The key message on that slide: We're very biomass-based, relying on renewable fuel sources, and we represent less than 2%.

Having said that, key priorities that we would like to see reflected in cap-and-trade policy: We support the vision of a prosperous province with a low-carbon future, and we need the regulatory framework that's being developed to support that. We would like to encourage policy development to recognize already-low-carbon sectors. For example, 85% of the energy needs at the Dryden mill and the Espanola mill already come from sustainably managed biomass. Recognize the fact that we've already reduced, at those two operations, our emissions by 30% and surpassed the Ontario target of 15% by 2020 from 1990 levels. We're already double that goal. We really would not like to see the facilities penalized for having taken the right steps early, and we need that early action recognized.

1310

Incorporate incentives to recognize and reward the use of biomass and other renewable sources: We just think that makes sense so that we're not getting into the idea of fuel-switching between fossil fuels. We would like it recognized that renewable energy sources ought to be incorporated into that framework.

Sustainable forestry: As I said, a very robust framework in Ontario should be the underpinning of that low-carbon economy. There are lots of opportunities there; the science certainly supports it. There are currently economic impact analyses going on around carbon policy. We're working closely with the technical people who are putting that together, and we would like to see that available at the outcome.

That brings me to the end of our key priorities. I'd welcome any questions you might have.

The Chair (Ms. Soo Wong): Thank you very much. I'm going to turn to my colleague Mr. Mantha.

Mr. Michael Mantha: Hi. How are you doing? You're looking at a prior Domtar employee. I used to

work out of the mill up in Gogama, the Ostrom mill. We were there for quite some time, and then it got turned over to Eacom.

Ms. Bonny Skene: Right.

Mr. Michael Mantha: Prior to that, I was actually servicing an area up in White River. I worked very closely with Mr. Garneau making sure that we kept that White River mill up and running. Unfortunately, we didn't. One of the major reasons why: energy.

With the recent decisions that have been made by the Liberal government in regard to their energy prices, where they've decided to sell off Hydro One, at any point in time did they pick up the phone and call you and ask what kind of an impact this would have on your industry?

Ms. Bonny Skene: I'm not aware of any calls that were made. As you know, Domtar is a big company, and I may not be aware of all conversations that have taken place. When you think about it, since you were with Domtar, our structure has changed considerably from the standpoint that we no longer are in the solid wood business, the sawmilling business. We are in the pulp and paper business in Ontario, and our mills are almost self-sustaining from an energy generation standpoint. The cost of electricity is important and the northern electricity rebate program has been key, but the portion of the cost pie that energy represents is becoming smaller as we find ways to become more and more self-sufficient.

Mr. Michael Mantha: The Espanola mill is also in my area—fabulous, and it's a niche market that you have there. Keep it; don't talk about it; save it. Don't tell anybody about it.

What I do want you to do is explain very clearly what you mean by leakage, particularly when it comes to the carbon tax. I think it's very important that this committee understands what leakage means and the potential negative impact that it may have on industry in Ontario.

Ms. Bonny Skene: Thank you for the question. What we mean by leakage is, pulp and paper—we are a trade-exposed industry, which means we are price-takers. We compete in those commodity markets. What we can control is our cost structure. If the costs become higher and higher, either for regulatory reasons or cost-of-fibre reasons, then there is a possibility that capacity will move to less costly jurisdictions, or it will leak out of Canada to other lower-cost jurisdictions.

That's something that we would like not to see happen as a result of cap-and-trade policy. We've been encouraging the government to recognize the unique position that the forestry sector has in the context of cap-and-trade so as to prevent that.

Mr. Michael Mantha: Again, I want to stress the fact of leakage because that is going to be a huge potentially negative impact not only on forestry but other resource-based communities. How do you bring a message across to policy-makers so that they can recognize the advance and the technological changes that you have already done so that that is already recognized, so that you get a recognition for that amount of work?

If you were ahead of the ballgame in regard to other jurisdictions—which we are; I fully know that we are—

that leakage will not be prevented. So how do you see making sure that the policy-making decision-makers recognize the advances that you've already done?

Ms. Bonny Skene: That's our big challenge, and I can tell you we're working very hard at it. We're working closely with the people developing the policy, and what we're sensing is that there is an affinity—I think we would all understand that it's much easier, much simpler, much cleaner to put in a one-size-fits-all policy across the board. We would like to see that not happen, for the reasons I've outlined, and I think that's where political direction comes. There needs to be a fundamental understanding of the uniqueness in our sector that warrants not an exception, but a recognition of the early steps that have already been taken. We shouldn't be penalized for having taken those early, ahead of the time frame in which cap-and-trade was introduced.

Mr. Michael Mantha: Okay.

The Chair (Ms. Soo Wong): All right. Thank you very much for your presentation, as well as your written submission.

Ms. Bonny Skene: Thank you.

ANISHINABEK POLICE SERVICE

The Chair (Ms. Soo Wong): The next group coming before us is the Anishinabek Police Service. I believe the Clerk said they do have a written submission that they'll be sending to us electronically.

Welcome, gentlemen and ladies. I only have two names here, so I'll let you do the introductions yourselves. As you introduce yourselves, please also tell us your positions with the police service. This round of questioning will be coming from the government side. You have 10 minutes for your presentation, followed by five minutes of questioning coming from the government side.

Chief Tom Bressette: Good afternoon. My name is Tom Bressette. I'm an elected chief of the Chippewas of Kettle and Stony Point First Nation, and we are members of the Anishinabek Police Service. To my left here is Dave Whitlow, the deputy chief of police of the Anishinabek Police Service. Our chief was called away on business today, so he's not able to be here. This is Leslie Zack-Caraballo. She's our head administrative person who deals with our financing in our office.

We'd like to thank you for the opportunity to address the committee today. I'm sorry we don't have handouts for everyone. We brought five of them with us, and I apologize. It's my job to do this, and I was out on the road. I didn't get the opportunity to have this done right, but we're here and we have the presentation for you.

What we're discussing today is the wages and the situation with our police service here in Ontario. If you look at the way it is with the history of self-administered aboriginal police services, the First Nations Policing Program was established in 1991 as a result of the Indian Policing Policy Review that occurred in 1990. First Nations police are self-administered agreements that

allow First Nations the ability to provide policing services that are culturally appropriate.

In 2010, an evaluation of the program determined that there is a continued need for professional, effective and culturally appropriate aboriginal policing services in First Nations. Regardless of funding levels provided, they failed to provide equitable resources to support comparable salaries and benefits.

The Anishinabek Police Service has operated since 1994, providing police services to 16 First Nations communities that have transferred their Ontario First Nations policing authority agreements to our service.

When we move on to look at our histories and our rates of pay, historically the rates of pay for First Nations officers reflected an adjustment to allow for non-taxable income. I'm not sure why people are based on that, because the issue of whether we're taxable or not is not our doing. That's federally legislated. That's protected under federal legislation, so I don't think it should be used as a discriminatory clause when dealing with a specific group of people such as ourselves.

The reason I say that is that we have claims of aboriginal title against this government where we have not surrendered the title to the land to the country, so we in fact are rights-holders. We are not stakeholders; we are the rights-holders of this country to the land. Those are the reasons these matters are being raised.

1320

Clearly, this discrimination has been allowed to continue within this program. Our taxation status is of no business to anybody outside. That's the federal government that created an act of legislation that made it illegal for taxing of our people. That wasn't of our doing. So many things need to be considered.

In 2013, the federal government announced that the First Nations Policing Program would commence a five-year policing agreement. The 2013-14 budget and subsequent years provided a 1.5% increase to base salaries only, with 0% provided for all other budgeted items. That's just putting somebody out there to do a job and giving them no equipment. We feel the impact of that, trying to carry on the tradition and the practice of looking after making sure the law is provided.

The increase was provided to staff salaries as it was part of the tripartite requirement. The increase of 1.5% was the first increase to our annual operating budget since 2008. Our services operated without any increases for five years prior. Salaries and benefits for both the Ontario Provincial Police and the Ontario First Nations policing program have continued to receive increases since 2008, leaving a significant gap between our service and the OPP and the OFNPA.

The OFNPA are First Nations that are attached to the OPP through their police program. They're not operated on their own by themselves. We've got historical funding levels that show that from 2005-06, our funding was at \$9,225,043, and over the extent, you can see the base wage parity went from \$9,933,000 and then up in 2007 to \$10,265,795.

Saugeen, one of our communities, left our service at that time because of issues within the agreement. Their chief was a lawyer, and he said that some of the things were questionable in the agreement and he wanted to challenge it. The rest of us wanted our police service to continue, so we didn't initiate any court challenge. We just accepted this service and moved forward with the 3% increase that came in 2008. That put us up to \$10,573,795.

As you go down the figures, there were no increases from that point on until we get to 2014, when the 1.5% increase in base salary only came into effect. Again, from 2014-15 to 2015-16, 2017-18 and 2017-18, the 1.5% increase to the base salary is the only increase that we see in our service.

In March 2015, the Minister of Community Safety and Correctional Services provided confirmation of a one-year agreement to provide Ontario's 48% share of the 8.55% salary increase to OFNPA officers, so they got more money than ours did. This is keeping with the principle that OFNPA officers would be at a wage parity level with the OPP, whereas our officers in the stand-alone are not given the same treatment. The adjustment was to be provided retroactive to January 1, 2014.

The minister further committed to ongoing discussions with OFNPA communities to improve delivery and sustainability of the First Nations Policing Program. We looked at this sustainability. The 2013 announcement of a five-year agreement was a welcome outcome to the efforts to secure a multi-year agreement.

The FNPP continues to operate hand to mouth. The impact of one-year extensions does not allow for long-term planning; it negatively impacts the recruitment and retention of front-line officers, due to instability of funding; and retention of trained officers is difficult, as they seek services of stability, better salaries and construction of detachments that meet provincial adequacy standards. That's something that we have a problem with. Our detachments are not up to the standard that the OPP's are, so we are below the standard of policing.

As a direct result of that, up in the Mushkegowuk area, up in the James Bay coast area, two men burned alive inside a jail that was in the basement of a building, because they couldn't have an adequate lock-up there. Those two fellows burned up in there. This underscores the need that our people need to be put into safe places if they're to be detained and ready for court.

The state of our detachments: The instability of funding equals our inability to provide financial institutions the comfort required to support community infrastructure development. The provision of detachments is a community effort which requires the securing of funding for construction. Our service then enters into a long-term lease with the community.

The majority of structures are far from functioning police detachments, best described as administration centres where community members can discuss police matters. Those should be private, where you've got security, and oftentimes, the community can hear through the walls, so there's not much trust in that.

The Chair (Ms. Soo Wong): Chief, can you wrap up your presentation? I have to turn it to the government side so that they can ask you some questions about your presentation.

Chief Tom Bressette: I guess, essentially, that's what we're looking for. There's a whole lot of things that the lack of funding does. It hits us hard, and it impacts on the governance of our police services while we're trying to improve that.

The Chair (Ms. Soo Wong): I'm going to turn to Ms. Albanese to start this round of questioning.

Mrs. Laura Albanese: Thank you for your presentation today, Chief Bressette. If I understood correctly, one of the main concerns that you have is wage parity with the OPP.

Chief Tom Bressette: Yes. It has an impact because it draws our trained officers away from the community for better wages. We're left retraining police for the OPP all the time, and that's where all our money goes.

Mrs. Laura Albanese: Right now, you have an agreement until—you said five years, right?

Chief Tom Bressette: It's 2018.

Mrs. Laura Albanese: Oh, 2018, and so that's cost-shared by the federal government, Ontario and the respective First Nations?

Chief Tom Bressette: It's 48% and 52% by the two governing bodies.

Mrs. Laura Albanese: Oh, by the two government bodies. So there is a federal share in that too, and it's typically renewed every—

Chief Tom Bressette: They're renewed on a five-year basis, but it's like we negotiate every year for money. We've got a five-year agreement, but every year, we wind up asking for additional resources.

Mrs. Laura Albanese: I see. Aside from that, you also have talked about the detachments not being up to standards, so there would be also the need for some infrastructure funding.

Chief Tom Bressette: Yes. The reason I say that is we've got a big issue with missing women. That's a major issue for us. Really, some of the problems are that we don't have the ability to stay on top of these cases when people go missing, and they get lost in the system. I guess maybe the deputy could explain that process a lot better than I could. The people get lost in our system. Once we do as much as we can, then we have to turn them over to other services, and we can't maintain and follow up and understand what is happening with those missing people.

1330

Mrs. Laura Albanese: Okay. Did you want to add something to that?

Mr. Dave Whitlow: Sure. I'm Dave Whitlow. Really, what it boils down to is, we depend on the OPP for that service. We've had lots of occurrences; it actually happens. We have a couple of communities where we have youth homes. Those kids are marginalized to begin with and then they go to the local centre and we lose them almost weekly. However, we've put a lot of effort

into making sure they don't—we find them, but it takes a lot of extra effort. In the summer, we had an incident where we had to depend on the OPP and their helicopter and their tactical teams. Everybody had to come in and help do searches.

Because we actually police from Thunder Bay to, I guess, to Peterborough to Sarnia, that's a big area that we cover with our communities. Our resources: We depend solely on the support of the OPP. This summer's problem was that the Pan Am Games were going on at the same time and their resources were put there. It's a sharing thing. We work really well with them, but we're subject to their needs, which—

Mrs. Laura Albanese: Which vary.

Mr. Dave Whitlow: Yes. You know, it's just hard.

Mrs. Laura Albanese: As far as the infrastructure needs and the detachments: How many would there be? I'm just trying to get an idea of what that would entail.

Mr. Dave Whitlow: We have 12 policing detachments, and seven of them are basically just administration centres that are part of other buildings. We share with the local band officer—almost like a storefront, where you have the ability to come in, but we don't have proper facilities or proper lock-up facilities. The OPP also, for the most part, care for our prisoners. They're not police facilities. They don't have proper interview rooms. It's almost like: A section off of this is where our building gets put into. We do have a couple of great facilities that we've recently built. The community built them, and we pay rent. That's basically what it was.

The Chair (Ms. Soo Wong): Thank you so much for your presentation, Chief, and your staff for being here. We look forward to seeing your written submission. I know the Clerk has already indicated to me—so that all the committee members know, they will be getting a written submission from your police services. Thank you and have a great afternoon.

Chief Tom Bressette: Thank you.

UNION OF ONTARIO INDIANS

The Chair (Ms. Soo Wong): The next group coming before us is the Union of Ontario Indians. The Clerk just told me that the presenter is Gary Dokis. Am I getting that right?

Mr. Gary Dokis: Pretty close.

The Chair (Ms. Soo Wong): Good afternoon, sir. Welcome. There is a written submission being circulated by the Clerk. As you heard earlier, sir, you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from the official opposition party. You may begin any time. Welcome.

Mr. Gary Dokis: I think I've seen that fella before.

Good afternoon.

Remarks in Anishnaabe.

My name is Gary Dokis, political adviser to Grand Council Chief Patrick Madahbee. I bring greetings today from Grand Council Chief Madahbee, who had other

commitments when we were invited and couldn't attend, so I'm attending here in his place.

My role here this afternoon is to do the submissions of the Anishinabek Nation. I work for Grand Council Chief Madahbee, and as Chief Bressette reminded me, as one of the Anishinabek chiefs, I also work for him, so he's keeping an eye on me here, I'm sure, which he always does.

We share some common goals, the Anishinabek Nation and Ontario. We look for common objectives in improving First Nation outcomes. The areas we're going to talk about today are education, resources and economics, social and child welfare, health, and employment and training.

Our presentation is based on the Anishinabek Nation–Ontario Action Plan. The Ontario action plan was developed in late 2014 and, over the last year, we presented it to the government chiefs in various forums. We have a continued partnership with the Ministry of Aboriginal Affairs through a bilateral process where we meet twice a year.

One of the key elements that we had last year was an Anishinabek Nation–Ontario Summit. This was held in Thunder Bay in August of last year and included the Premier and eight cabinet ministers who attended, and we also had regional chiefs from our association who presented our objectives on the action plan. This was a positive example of First Nation–provincial relationship-building, and it was a good opportunity to advance Anishinabek Nation priorities.

In the area of education, we're recommending:

—that Ontario allocate financial resources to support the implementation of the Anishinabek Nation–Ontario Master Education Framework Agreement, which was signed in 2015, so that the Anishinabek Nation and Ontario's staff can begin the process of implementation discussions;

—that Ontario allocate resources to secure a mandate to negotiate comprehensive self-governance with the Anishinabek Nation as part of an overall process to increase self-reliance; and

—that Ontario allocate resources to support lifting provincial post-secondary institute funding application restrictions in order to allow the Anishinabek Educational Institute and other such First Nation institutes to submit an application. We have operated a post-secondary institute called the Anishinabek Educational Institute quite successfully for a period of approximately 20 years. It has grown to serve many First Nation students, not just in the Anishinabek Nation but all throughout Ontario.

In the area of resources and economics:

—that Ontario commit financial resources to develop options as it relates to the Anishinabek Nation growth and recovery plan submitted to aboriginal affairs in 2014 and to develop supporting action plans for investment opportunities, such as the Anishinabek Nation–Ministry of Natural Resources and Forestry forestry framework memorandum of understanding, the global Anishinabek Nation–Ontario bio-economy partnership strategy and the

Anishinabek Nation—Ministry of Northern Development and Mines mining strategy partnership. The Anishinabek Nation growth and recovery plan is intended to foster partnerships between the Anishinabek Nation, Ontario government and natural resource sector key industry leaders for mutual benefit and recovery of the industry.

Second under resources and economics, one of our key platforms when we presented at the summit last summer was:

—that Ontario commit financial resources to support an Anishinabek resource revenue and resource benefit-sharing framework as a vehicle for long-term participation in the economy, which will help us to implement the Anishinabek Nation economic blueprint, sustaining current and future initiatives such as green energy projects as well as maintaining a proactive approach to assessing new and emerging economic opportunities. Back about five years ago, we developed the Anishinabek Nation economic blueprint, which is a good step for a First Nation to become successful economically. We have been implementing it, but slowly, over the last few years.

In the area of child and social welfare:

—that Ontario allocate resources to continue to work with the Anishinabek Nation toward formal recognition of the Anishinabek Nation Child Well-Being Law and the negotiation of a framework agreement with the Ministry of Children and Youth Services to transfer all child welfare authorities to the Anishinabek Nation Child Welfare Secretariat. We have passed a Child Well-Being Law in the Anishinabek Nation and are currently working on an implementation plan;

—that Ontario work with the Anishinabek Nation to develop a mechanism to support a Treasury Board transfer of resources to the Anishinabek Nation Child Welfare Secretariat by April 1, 2017, which is the anticipated effective date of the Anishinabek Nation Child Well-Being Law, and the implementation for that is being developed for that at this time;

—that Ontario allocate resources to renegotiate the provision of a comparable funding allocation for the Office of the Provincial Advocate for Children and Youth in support of the development of our own Anishinabek Nation children and families advocate office; and finally,

—that Ontario allocate additional resources for prevention for First Nation agencies to ensure that effective supports for family unity are in place to address the overrepresentation of First Nation children and youth in protection services. I think we can all agree that money is well spent when we spend it in prevention rather than aftercare treatments.

In health:

—that Ontario commit to engaging the Anishinabek Nation in expanding the scope of any existing prescription drug abuse programming, including mental health and addictions, and reformatting the distribution of funds to strategic methods that better address the challenges faced by Anishinabek citizens;

—that Ontario commit financial resources to engaging the Anishinabek Nation on increased annualized funding

for the FASD program and develop a parallel and culturally appropriate multi-year strategic plan and framework; and finally,

—that Ontario allocate dedicated resources to fund an FASD diagnostic clinic at Health Sciences North in Sudbury.

In the area of employment and training, we have two recommendations:

—that Ontario allocate resources to enter into a formal partnership with the Anishinabek Nation for the development of a forum to discuss ways of better coordinating the delivery of federal and provincial employment programs for First Nations in Ontario; and

—that Ontario commit resources to support a partnership with the Anishinabek Nation and to conduct research to develop a comprehensive labour market strategy and framework that links planning for employment and training services strongly to economic development initiatives led by ministries, industry and employers in Ontario.

That's our presentation. Meegwetch.

1340

The Chair (Ms. Soo Wong): Thank you very much. I'm going to turn to Mr. Fedeli to begin this round of questioning.

Mr. Victor Fedeli: Thank you very much, Chair. Gary, it's great to see you.

Mr. Gary Dokis: Yes, likewise, Vic.

Mr. Victor Fedeli: It's a nice surprise to see you here today.

Your points that you've made—at the beginning of it, you referred to a meeting that was held with the Premier and cabinet ministers. What kinds of agreements would have been made at that particular meeting that are reflected in the discussion that you just had?

Mr. Gary Dokis: One of the key outcomes from that meeting was the educational agreement. It was agreed to in principle at that time and we actually signed the master education framework agreement at our November assembly here in Sault Ste. Marie.

A lot of the initiatives at that point, Vic, were more about opening the door, and like I said, it's not the first time we presented the action plan. We're trying to be consistent so that we're not coming one year with one set of objectives and a whole new set the next year. So in the last year, we tried to be more strategic and more consistent on how we're presenting our objectives to the government. I guess from last year, that was probably the key outcome from that.

But I think from our perspective, the chance to have our chiefs present to the ministers directly applicable—because a lot of times, as you understand, we write proposals and send letters in, and they're reviewed by probably lower-level staff, and we don't have the opportunity to actually address cabinet ministers.

Mr. Victor Fedeli: Yes, that's fair. That's a fair statement, Gary. Thanks.

On this Anishinabek—Ontario master education agreement, where are we with it?

Mr. Gary Dokis: At this point, we're getting pretty advanced. We need both partners. We've been working with Canada since 1997, negotiating the Anishinabek educational system. At one point, we had to bring Ontario into it because they provide the curriculum for our own educational systems. At this point we actually are going to ratification at the end of this year. I was at a session this morning that was being held in the building about constitution-building. They're gearing our communities to have a vote on accepting the master education system in November of this year.

What we have been doing with Ontario was to bring them on board so that they can participate as far as the end of—because of the curriculum, because obviously once they leave our system, they have to be able to go into the provincial system.

That's where we're at with that. We're pretty advanced. The fact that we signed a master education framework agreement, although it's just a framework agreement, allows us to negotiate more details.

Mr. Victor Fedeli: You talked about the fact that you're being more consistent in the presentations that you've done—an overall theme and you're sticking with them. Is education, that agreement, is that the number one, Gary?

Mr. Gary Dokis: It's number one in the sense that we've advanced in it, but really, anybody who is aware of First Nations issues, and I know you are, Vic, certainly, from our past history, all our priorities are pretty—as you know, if we could discuss, and we would need a lot more time to discuss all the needs for First Nations, but we've highlighted over the last year that these are what we need to move forward. It doesn't mean that in one-off situations for individual chiefs, we don't bring other issues forward, but education is important right now in the fact that we're getting very close to implementation.

Mr. Victor Fedeli: What can we do to help you in the Legislature? What do you need us to continue to discuss in the Legislature?

Mr. Gary Dokis: Take our action plan that we presented—and if you don't have one, I can certainly forward a copy to you as well. I know that we've presented to the Ministry of Aboriginal Affairs and they have a copy. But as the issues come forward, we do have our bilaterals with Minister Zimmer. We meet twice a year and we present issues to them. We always go through the action plan. The last meeting we had was in November, I believe. We did an outcome of the summit because those are important to us. Certainly anything that comes forward from aboriginal affairs—we'd appreciate your support on that behalf.

Mr. Victor Fedeli: How's our time, Chair?

The Chair (Ms. Soo Wong): One more minute.

Mr. Victor Fedeli: Are we knocking anything off the lists, Gary?

Mr. Gary Dokis: I've been in this position for a year and I'm excited. I don't know if you would say we're knocking things off the list, but we are moving forward. We've got 30 First Nations signed up to approve our

education or bring it for ratification this year, which is good—30 out of 39.

We have 30 that are working on the master education framework agreement that was signed with Ontario. We have five community constitutions and more that are developing. From our perspective, we're gaining steam. Like I say, we just want our government partners to be with us.

I don't think that quite answers the question, but—

Mr. Victor Fedeli: No, you have.

Mr. Gary Dokis: —that's our objective, so we'd like you on board with us.

Mr. Victor Fedeli: Yes. I appreciate it, Gary. Thanks.

The Chair (Ms. Soo Wong): Thank you very much for your presentation, and thank you for your written submission. Please thank the chiefs and the entire community for all your good work.

Mr. Gary Dokis: I will. Meegwetich.

ONTARIO COUNCIL OF HOSPITAL UNIONS

The Chair (Ms. Soo Wong): The next group coming before us is the Ontario Council of Hospital Unions. I believe it's Michael Hurley. Good afternoon, Michael. Good to see you. Welcome.

As you probably heard, you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from the official third party. The Clerk is coming around with your written submission. Please begin any time, and when you begin, can you please identify yourself for the purposes of Hansard?

Mr. Michael Hurley: Sure. Thank you very much. I'm Michael Hurley, president of the Ontario Council of Hospital Unions of CUPE.

First of all, I'd like to thank the members of the committee for conducting these committee hearings across the province. I know it's gruelling to travel, but it's really appreciated to have the opportunity for people to be able to present on what are really significant budget questions for many of us.

The Ontario Council of Hospital Unions of CUPE represents about 35,000 health care workers, primarily working in hospitals in the province of Ontario. Of those, many work in northern Ontario: Richards Landing here, Thessalon, Blind River, Geraldton, Hornepayne and Hearst, etc.

In my presentation I'm going to spend a bit of time on the particular problems of health care in northern Ontario. But first of all, I'd just like to address what is probably our primary interest in your budget deliberations, which is that when this government made a decision to reduce the level of corporate taxation to what we calculate to be the lowest of any jurisdiction in North America, we believe that you created a revenue problem which has required what are in fact fairly significant cuts in health and social services. I'm not personally convinced, and I'm not sure that others are convinced

that the government's policy of reducing corporate taxation to that level has actually been rewarded with the kind of investments which perhaps were anticipated.

This is a key issue in formulating the next budget: whether there will be some reconsideration around your revenues. But I would say that around the expenditures for the hospital sector, we're in a terrible box. In northeastern Ontario—I'll use that as an example—you can see this roll out. The population of northeastern Ontario is burdened by the lowest incomes of any region. It has more single-parent families. It has a huge First Nations population relative to the rest of Ontario, and that population is often living in conditions which are unhealthy.

This is a population that does not have access to a family physician by any means in the same proportion that people do in southern Ontario. This is a population which is afflicted with higher levels of chronic medical conditions like diabetes. This is a population which has more cancers and has more problems around addictions, including alcohol, drugs and smoking.

What has been happening in the Ontario health care system, particularly in the hospital system, has had a significant impact on this population in northeastern Ontario, and it's a bit of a microcosm.

1350

What do you see? You see a fairly dramatic downsizing in the acute care hospital system here in the Soo, in Thunder Bay, in Kenora, in North Bay—North Bay is the worst, in my opinion, in terms of staff cuts, bed reductions and cuts to programs like psychiatry—and Sudbury. New Liskeard closed half its operating rooms. Timmins shut a significant number of beds in its community. Obstetrics went in Geraldton. What does that mean, practically, in northeastern Ontario? Well, people are told that if they want to give birth in a place like Geraldton, to go and stay in a hotel or motel in Thunder Bay for a week prior to their due date, and \$100 of that is covered by the Northern Health Travel Grants. The full burden of this is being shifted to these individuals.

Ontario had, going into what have been nine years of budget cuts, the most efficient hospital system of any in the Organization for Economic Co-operation and Development. We had the fewest number of beds, the fewest number of staff for those beds and the shortest lengths of stay. We have been cutting these budgets in the last three years, we would say, very conservatively estimated, by something like 15%. The impact of those reductions is occurring at a time when the population is aging and growing. As a result, there are significant access problems and it's not tenable.

I thought the ludicrousness of the situation was summed up with the recent decision of the government around parking for hospitals, restricting the income that they can charge to visitors, which is good news for visitors but bad news for patients, because the hospitals are in a horrible box financially. Their budgets are being cut in real terms. The drugs that they provide free of charge to patients go up 15% a year. Medical technologies: all this stuff bought from the United States and with

our dollar in the condition it is in, but also just in terms of the cost of surgical instruments and medical equipment—the hospitals are in fact cutting beds and services in dramatic terms, and that's just not sustainable.

So I'm here today on behalf of the people we represent to ask the government to reconsider, first of all, whether it couldn't do something on the revenue side with respect to corporate taxation. Secondly, I'm here to make a plea on behalf of the women and men who are working in the hospital system to address the fact that the hospitals cannot continue to operate when their budgets are being cut by something like 5% a year in real terms, year after year after year, while the population queues up at their doors demanding vitally necessary health care services.

Thank you for the opportunity to present.

The Chair (Ms. Soo Wong): Thank you very much. I'm going to turn to Ms. Fife to begin this round of questioning.

Ms. Catherine Fife: Thank you very much, Mr. Hurley. You started off really quiet, and then you sort of—you're a passionate advocate for publicly funded health care. I think with the stats that you provided us on page 2—just the comparison lines between Canadian hospitals and Ontario hospitals—it's so very clear that Ontario's hospitals, under the direction of this government, have not kept pace with the rate of inflation and the needs of the citizens.

A 1% increase in corporate taxes would probably not address the seriousness of this funding gap. This is going to take some time to address. But the other issue—you didn't make it through your entire presentation, but as the finance critic, I'm trying to follow the money: where the money is going, where our health care dollars are actually going, and why they're not getting to front-line patient care.

The Auditor General, through her report in the fall on CCACs, found that 39% of the funding was actually going to administration, bureaucracy and profit. Do you want to comment on that? Because that's the other side of the equation, don't you think?

Mr. Michael Hurley: Absolutely. Nothing drives people who work in the hospital system more crazy than to look at some of the decisions that have been made around private-public partnerships, which have proven to be hugely more expensive and inefficient. North Bay is saddled with a private-public partnership hospital and as a result its cuts are much deeper.

The privatization of the air ambulance service, the electronic health records system, the privatization by a previous government, and the introduction of a market into the home care system and the commercialization of that service and, as a result, the increased direction of precious health care resources which should be directed towards making sure that somebody who's struggling in their own home can stay there and be able to cope with their health condition—the diversion of that money to profit. So yes, I would absolutely agree with you that privatization, in my mind, has no place, really, in the delivery of health care. In fact, as a principle, every cent

that we have should be spent trying to make people well. It shouldn't be diverted to shareholders. It shouldn't be diverted to lawyers and accountants. It shouldn't be diverted to the owners of these huge corporations, etc., but that's what's happening right now.

Ms. Catherine Fife: Yes. To your other major theme around northern hospitals and communities: Yesterday, in Thunder Bay, I asked the administrator—because everyone ends up in these regional centres because there isn't a comprehensive home care system or something for chronic pain or long-term care. They experience a great deal of gridlock because they're trying to fill the gap for all of those, or a lack of services.

I appreciate the fact, and I see that you also wrote a report back in 2015, *Pushed Out of Northern Hospitals*.

Mr. Michael Hurley: Yes.

Ms. Catherine Fife: So they are being pushed out.

The other thing we heard about yesterday is around the mental health piece, and these patients landing in hospitals, but then, of course, the violence that happens and the criminalization of mental health patients as well.

I want to thank you bringing such a comprehensive economic report. I will read it at length. Thank you for bringing these important voices.

Michael, do you have anything else to say?

Mr. Michael Mantha: A budget freeze in Ontario, or a 0% increase: Would you agree that it's more than likely equivalent to a 2% or 3% cut in a hospital's bottom line?

Mr. Michael Hurley: It's at least that because every patient's drugs in the hospital are provided free. But the drugs are escalating over 10%—I'd say maybe 15%—a year, and the cost of the medical technologies are rising significantly. Actually, if you track doctors' salaries, although there's some dispute about that, in this year, generally speaking, doctors' salaries have been rising over the rate of inflation and over the rate of other public sector workers. These costs are driving up hospital costs above the normal rate of inflation. So when you get a zero, you're really being cut by that amount. That's the reality. That it happens year after year after year is unsustainable.

Mr. Michael Mantha: I'm glad you touched on the reality because that's the consistent message that we have been hearing. When we hear Minister Orazietti, who was here this morning, indicating that in his world there are actually increases that are happening, is that reality to you?

Mr. Michael Hurley: I'm sorry. Did he say there were increases?

Mr. Michael Mantha: That there were some substantial increases since, I believe, 2003. He indicated this morning that there was a 46% increase to hospital budgets since 2003. Is that a reality to you?

Mr. Michael Hurley: You can track that fractionally. Health care spending, hospital spending is increasing. When you chart it against its real inflation costs, though, it's significantly under. It's actually significantly under what Don Drummond said would be a heart-wrenching change for the health care system. The government is

actually cutting much deeper than Drummond did. In the difference between what the real costs are and the zero, and in that sense, while health care expenditures are rising—where they're rising is another question—where is that money going?

The Chair (Ms. Soo Wong): Mr. Hurley, I'm going to stop you here. Thank you for your presentation as well as your written submission.

Mr. Michael Hurley: Thank you very much.

1400

OPSEU

The Chair (Ms. Soo Wong): The next individual coming before the committee is Lynn Dee Eason. Good afternoon, and welcome. I understand from the Clerk that you are presenting from OPSEU.

Ms. Lynn Dee Eason: Yes.

The Chair (Ms. Soo Wong): Okay. Before you begin, I just wanted to give you the instruction that you'll be speaking for 10 minutes, followed by five minutes of questioning. This round of questioning will be coming from the government side. You may begin any time. When you begin, can you please identify yourself for the purpose of the Hansard? Thank you.

Ms. Lynn Dee Eason: Thank you, and good afternoon. My name is Lynn Dee Eason and I am the president of Local 613 of the Ontario Public Service Employees Union. My local represents some 200 faculty at Sault College, including counsellors, librarians, instructors and professors. As well, I'm a member of the divisional executive, representing nearly 10,000 faculty at Ontario's 24 colleges of applied arts and technology or, as we're known, CAATs, affectionately. In total, my union represents 17,000 support staff and faculty at our Ontario community colleges.

As a professor for over 30 years, I remain passionate about student success and have recently seen big and disturbing changes. I've been fortunate to be here this morning, and from what I've heard, I sense that many of us are experiencing a disturbance in the force.

Probably the biggest change is the fact that Ontarians no longer have publicly funded post-secondary education in our province. We now have publicly assisted post-secondary education, in our own ministry documents.

When the first CAATs opened their doors in 1967, approximately 75% of our operating funding came from the province. Now the province accounts for approximately 48% of CAATs' operating funds. There was a temporary increase in operating funding as a result of Bob Rae's review into post-secondary education in 2005. However, the fiscal situation for colleges has badly deteriorated since the late 2000s. In real dollar terms, the government has cut funding for the CAATs. According to Colleges Ontario, in 2014-15, real operating grants per student were almost \$1,000 lower than 2007-08.

Per student revenue from operating grants and tuition fees for Ontario colleges are the lowest among all of our provinces. Tuition fees here make up an increasing share

of college and university funding. They now account for approximately 20% of the operating revenue of the CAATs. This is unconscionable. Post-secondary education is a public good. An education system that provides highly skilled graduates ready to excel in the workplace is obviously a benefit to our whole society, economically and socially.

Our union believes in quality, accessible post-secondary education. Implicit in the meaning of “accessible” is that education must be affordable. Being accessible to people in their local community, particularly under-represented groups, is a critical component of the CAATs’ mandate. Almost 30% of college students report household incomes of less than \$30,000, and 55% of college students report household incomes of less than \$60,000. Our students struggle to pay tuition and all their household costs. Many work part-time while attending college. Sixty per cent of college students don’t enter college directly from high school. They are more likely to be living on their own, often with families of their own, and are returning to college to retrain or to learn new skills so they can do better in a very challenging job market.

The government has made much of its 30% off tuition grant, however, this tuition grant is not doing enough to make post-secondary education affordable. Students are graduating with thousands of dollars of debt. That’s no way to start off.

There is also a very specific barrier that our college students face in accessing this tuition grant. Again according to Colleges Ontario, 38% of college students receive the grant. Many aren’t eligible because they are mature students who have been out of high school for more than four years and are just now returning to school to improve themselves.

The tuition grant can only be seen as flawed and a partial fix to a much bigger problem. On the one hand, the colleges say that they face a net funding gap of \$86 million in 2016-17. The cause, they say, is years of cuts to their operating grants in real dollars and constraints on how much they can increase tuition fees.

On the other hand, it is very clear to everybody, from our view, that operating funds cannot come from tuition fee increases. Our students can’t afford it. As it is, they bear far too much of the burden of funding the college system.

There are a couple of non-starters with regard to answers. The answer is not for colleges to find funding sources through questionable contracts at home and abroad. The answer is not for colleges to cut costs by increasing the proportion of teaching done by part-time, contract faculty.

First, I will talk about the questionable contracts here at home. There are 24 public colleges in Ontario and more than 400 private colleges. The public colleges are now contracting with private colleges, or for-profit colleges—and it is a tangled web to figure out—and giving them licence to deliver a number of the CAAT programs.

In one example, Cambrian College contracted with Hanson International Academy, licensing Hanson to deliver a number of Cambrian programs in its Toronto and Brampton campuses. These programs had been offered at Cambrian’s main campus in Sudbury; some no longer are.

The private college recruited students based on the Cambrian programs. It used course outlines developed by the Cambrian faculty. The students graduated with Cambrian diplomas. But the students were not taught by Cambrian faculty.

We know that at the very heart of quality education is the teaching and learning experience. It is our view that the students of the private college were misled. They thought they were getting a true Cambrian education. They paid almost four times the price. The private college’s website lists the tuition for one program, hotel and restaurant management, at \$26,976; the equivalent at a community college is around \$8,000. The reputation of a public college and the years of public funding and faculty experience that went into developing these quality programs were used to recruit students for a profit-making enterprise.

We’ll look at the colleges’ questionable contracts abroad. You’ve possibly heard more about this on the news today. Our union has been actively seeking answers from the government about the campuses that Algonquin and Niagara Colleges have established in Saudi Arabia, a country with a human rights record that has gone from bad to worse in recent months. The mass execution of 47 people in a single day earlier this month sent shock waves around the world.

We wrote to Premier Wynne on this matter 10 months ago and have received no response. What did the government know about its colleges’ deals in Saudi Arabia? Were they given the green light? Are we chasing dollars at the expense of human rights?

Finally, I want to turn to a tragic consequence of the funding crisis in Ontario colleges: the increasing proportion of teaching done by part-time faculty. Union success at maintaining living standards for full-time, permanent staff has led college employers to flood the workplace with low-paid, non-union, part-time staff. In some cases, part-time college faculty earn a fraction of the going rate for teaching credit courses. The ratio of full-time to part-time is approximately 1 to 3 across the province. At some colleges, the ratio of part-time is now 70% to 75%.

They are paid by hour spent in the classroom only. They prepare, mark, attend meetings and work with individual students on their own time, often earning less than minimum wage for the total time spent at work, forcing them to seek multiple jobs. They have the required post-graduate degrees and experience, yet they have to re-apply for their own jobs every 14 weeks, year after year.

The reliance on non-full-time professors is a threat to quality education. It’s not due to the lack of skill of the contract faculty; rather, it’s the lack of full-time, available faculty that means less time for helping students,

less time for course and program development and a greater challenge to maintain consistent academic standards. We must have adequate funding to support good jobs on our 24 public college campuses.

It is sadly ironic that even as students attend college in order to obtain a good job, the colleges themselves rely so heavily on precarious labour. Appropriate levels of funding must be restored.

I would be pleased to take your questions.

1410

The Chair (Ms. Soo Wong): Okay. I'm going to turn to Mr. Milczyn to begin this round of questioning.

Mr. Peter Z. Milczyn: Thank you, Ms. Eason, for your presentation this afternoon. You started off by mentioning the Ontario grant program for lower-income students, where they can get a portion of their tuition refunded, and you said about 38% of community college students receive that. Do you see the value in how that increases access to a good education for tens of thousands of students in this province?

Ms. Lynn Dee Eason: There's always value in increasing the numbers of students who are able to come, but in my classroom I have sometimes one or two high school students who would be eligible for that; that's it. The rest of my students are people who have often single-income families, where they have children they're supporting; they're rushing from school to part-time jobs, trying to do a compressed course, in my case, as well as provide for their family through their work and spend time with their family. In my case, I see very few students who actually have access to that grant.

Mr. Peter Z. Milczyn: So would one of your recommendations be that we look at the eligibility criteria for that program?

Ms. Lynn Dee Eason: For sure.

Mr. Peter Z. Milczyn: Okay. Thank you.

I don't know the specifics of your particular college, but I know that throughout many parts of the province we see tremendous investments in the infrastructure for post-secondary education. Certainly a lot of community colleges have gotten modern facilities, facilities where they have more computer technology, more advanced technology, where they can provide the programs that will prepare students for the knowledge economy and for the types of jobs that employers are saying they need young people—all people—trained for.

Have you seen in the case of your college or in northern Ontario the benefit of these infrastructure investments in post-secondary education?

Ms. Lynn Dee Eason: I've certainly have the opportunity in our own college and as I've travelled to other colleges across the province to see the infrastructure changes. Obviously Sault College was not number one in student satisfaction, mostly because of our facilities, for many years. Once the new buildings came into play, we did have that increase in our student satisfaction.

However, I believe you heard Dr. Common this morning say that he has \$186,000, I believe it was, to look after that building, and he needs a new roof with a

\$400,000 expenditure. We work in buildings—and I actually don't teach in the new building at all because I teach in the computer area. The building that I work in has had to have new siding for many, many years, and each and every year we look at the windows and the mould and the various leaks and whatnot and say, "We don't have the money to look after it."

Cleaning staff are not sufficient in order to be able to look after the new parts of the building. It was lovely to have that ribbon-cutting ceremony and I welcomed the opportunity to have new facilities, but there is a back-up cost to that that must be considered. There are long-term requirements for funding in order to look after those buildings and to make sure that they remain in the good and wonderful condition that they started off in.

Mr. Peter Z. Milczyn: You are aware that there is a \$130-billion infrastructure program over the next decade, and many billions of that is targeted at post-secondary education, for new facilities, for renovations, for refurbishments. There is a continuing stream of money being invested in the post-secondary sector.

I was also—

Ms. Lynn Dee Eason: Can I just say: I'm looking forward to that and I look forward to the improvements, but I would then come back to the fact that you need the people in those buildings in order to provide the service, which is our core, which is education.

Mr. Peter Z. Milczyn: I know that in various parts of the province, we've also been seeing the programs that we're implementing assisting in a better partnership between private sector employers, unions and post-secondary institutions in apprenticeship programs and in training that's tailored to jobs that are out there that employers are seeking. Have you seen, in the case of your college, those types of programs being implemented to support the types of jobs that are in the north?

Ms. Lynn Dee Eason: I don't know that I can speak directly to that because, even as president, for a smaller, local college it's difficult for me to follow all of the pieces. Sometimes I see that there seems to be money, such as for the robotics, but the faculty tell me that they don't understand how that's being integrated into the program and how that's actually going to assist in their teaching.

The apprentices come and go on different schedules, and I know they're out there. I think it's extremely important to have those partnerships so that they have placements to go to and have that partnership in that way, but the core teaching is still required at the college. There is an important link there, but you have to have the basics.

When I talk to the faculty about apprentices coming in, it will really vary from one class to the other. For example, we have a class that has come in that the faculty are just raving about because they're so well prepared and ready to take the training that is being given to them.

The Chair (Ms. Soo Wong): Okay, Ms. Eason. Thank you very much for your presentation. If you have any written submission, please send it to the Clerk by February 2 at 5 p.m.

Ms. Dee Eason: I will. I also have a report that I'll send in.

The Chair (Ms. Soo Wong): Yes, absolutely. Send everything. Thank you.

SERPENT RIVER FIRST NATION

The Chair (Ms. Soo Wong): The next group before us is Serpent River First Nation. The Clerk has the written submission.

Welcome. Good afternoon. I believe you're Elaine Johnston? Welcome. You've probably heard that you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from the official opposition party. You may begin any time. Please identify yourself for the purposes of Hansard.

Chief Elaine Johnston: My name is Elaine Johnston. I'm the chief of Serpent River First Nation. I acknowledge that we are on the traditional territory of Garden River First Nation, and I acknowledge our ancestors and give thanks to our Creator for being here today.

I also acknowledge the Minister of Finance, Charles Sousa, and members of the finance committee. Greetings from Serpent River First Nation, and thank you for the opportunity to address the Ontario legislative finance committee for the pre-budget consultation in preparation for the 2016 spring budget.

I am the chief of Serpent River First Nation and a registered nurse by profession. I have lived and worked with the First Nations in the Far North and within my home territory.

My Anishinawbe spiritual name is Waawaskonhkwe, which means "Flower Woman." My great-grandmother gave me this name upon my birth as she saw me in a dream before I was born. My elders advise me that the significance of this name means that my purpose on this earth is to be a healer and a teacher—to plant seeds of knowledge. Flowers have seeds that are taken by the wind and birds to be replanted on the earth. Flowers are also used in medicines for health purposes. So I am here today to plant seeds of knowledge for the recommendations for the finance committee's consideration.

Serpent River First Nation is of the Anishinabek Nation, located along Highway 17 between Sault Ste. Marie and Sudbury. Our population is about 1,300, with about 400 living on-reserve. My father was chief, as was my great-grandmother. I come from a large family, with 28 nieces and nephews and 11 great-nieces and -nephews.

I am the granddaughter of two strong Anishinawbe women who were the backbone of our families. My paternal grandmother, Verna Petronella Johnston, owned a large home in the city of Toronto. She took in indigenous children in the city, and was just honoured for her contributions within the city. My maternal grandmother, Agnes Commanda, was a local midwife who worked with the local doctor to deliver many of the children of our community and area. She too cared for many children

in our community. Both my grandmothers and many of the women made sure that the children were the centre of what they did, to ensure the children were fed, clothed, supported and loved. They did this despite the tough times of the day.

I share my story to give you the context regarding my presentation today. Many of our First Nations families are large, with large extended families. Family structures were fractured by the introduction of drugs and alcohol and the forced removal of children, either by children's aid into care or to the residential schools. Loss of culture and language almost destroyed many families, and we are still feeling the effects today.

We need to place children at the centre of everything we do. The investment for our children is the best investment for the long term.

I asked Serpent River First Nation council, our management team and some elders about what I should present. I also placed tobacco upon our Mother the Earth to ask for guidance. I was advised to remind you that the children are our future—all our futures.

There are so many needs that we the First Nations have. Some of us have been successful in mainstream Ontario, but not without manoeuvring through the many challenges of the residual effects of the residential school system, the Sixties scoop of our children, the Indian Act and being confined to reserve lands, lack of resources, racism and negative government policies, to name a few. Many have not been successful and live in poverty, with numerous issues to deal with. The gaps are numerous: education, child welfare, health, social assistance, housing, infrastructure, justice, health, loss of culture and language, lack of jobs and a lack of an economic base.

1420

I note that the 2015 budget theme was "Building Ontario Up." I also note that there was no mention in the budget speech about the indigenous people. Please don't misunderstand me. I know there were some funds for indigenous people within the budget. However, there was no mention of the indigenous people and how we are part of building Ontario up.

I had the great privilege to be at the signing of the political accord with the Regional Chief of the Chiefs of Ontario and Premier Kathleen Wynne on August 24, 2015. This signalled a positive government-to-government relationship which hadn't been seen since the time of Premier Bob Rae, when he forged a positive government-to-government relationship with the indigenous people, along with government policy and funding which was known as the Aboriginal Healing and Wellness Strategy.

The recent federal throne speech signalled Canada's readiness to advance the nation-to-nation relationship with the indigenous people and hopefully the advancement of the Kelowna Accord. There are many jurisdictional issues and barriers between the federal and provincial governments where First Nations citizens get caught between both levels of government on the question of who pays or who is responsible. Meanwhile, the

First Nation citizen either doesn't receive the service or the funds. Indigenous statistical reports show the high incarceration rates, the high numbers of children in care, the below-average school graduation rates, the high suicide rates, the high poverty rates, and the list goes on.

With the recent political developments in the provincial and federal governments, I am hopeful and optimistic for our future. I have to have a mindset that looks toward growth and ongoing development. I am concerned about this, not only for this generation but for the generations to come. When I consider the dire statistics, it is clear that there is no one simple answer. It is also clear that we, the community, have the answers. It is also clear that there is a shared responsibility to the solutions.

To those who might unfairly suggest that we, the indigenous people, do not pay taxes, I will remind them of the treaties and the little compensation that has ever been paid to indigenous people for the billions, if not trillions, of dollars of wealth extracted from our traditional lands through mining, forestry, agriculture, fisheries, energy consumption and so on. By virtue of the harvesting of the resources from our traditional lands and waters, we have paid more into the economy than anyone.

This takes me back to my original point about placing the children at the centre. How do we close the gap so that children and their families are part of the economic growth of Serpent River First Nation, the Anishinabek Nation and the province of Ontario and Canada? I am planting seeds that you will consider that the First Nation communities need community-based funding in many areas. You will get requests from First Nation organizations to receive funds for regional activities or provincial activities. I am not disagreeing with their requests. We do need to work together on a collective basis on issues that are collective in nature. However, much of the regional or provincial funding is for regional or provincial activities. In order for First Nations communities to move away from poverty and dependence on government funding, we need funding to build the capacity within our communities.

If children are at the centre of everything we do, then we must look at children and their families holistically. How do we close the gap? What are the positive impacts and what are the negative impacts and/or barriers? Case management is integral to reviewing this. As an example, Serpent River First Nation has one staff person to provide family restoration for child welfare cases 24 hours, seven days per week. No one can or should provide 24-hour care seven days a week. Some of these child welfare cases are dealing with education issues due to special needs and jurisdictional issues of who will pay for these services. There are some cases that are also dealing with health issues, social assistance issues, housing, and the list goes on. The work is overwhelming at times. But the staff do what they can with the limited resources available. There have been some successes, but it is an uphill battle. We want to see these families thrive and survive. We want to see these children graduate from

school, to have a positive self-identity and a positive mindset to find jobs and prosper.

I encourage the finance committee to consider the following recommendations:

- to develop indigenous community-based funding opportunities via multi-year pilot projects that are solution-based to address the gaps in services, and these pilot projects must have an evaluation component to measure the outcomes over time;

- seek opportunities for economic growth with the indigenous communities; and

- develop a joint process involving the First Nations to implement an indigenous strategy on closing the gap, which will identify funding and policy discussions on the following:

- the Truth and Reconciliation Commission implementation, which includes language and culture;

- the development of a children's strategy;

- the development of a mental health and addictions strategy;

- enhanced infrastructure funding;

- enhanced education funding and policy implementation re First Nations tuition agreements;

- training dollars for post-secondary indigenous students to meet the credentials within the economy;

- review Ontario Hydro costs and high energy costs;

- enhanced health funding; and

- develop equitable funding for child welfare at the region and community.

The announcement that the 2016 budget will focus on economic growth, jobs, and investment in education and health care are important goals. I urge the finance committee to invest in communities for the indigenous people. Action must follow the words expressed by the Premier at the signing of the political accord to make it meaningful.

I'm also not blind to the fact that the finance committee has a tremendous task in front of you. I hear the media reports about the economy, the climbing deficit, the declining markets and the plunging Canadian dollar. I ask all of our ancestors and the Creator to give you guidance on the deliberations on the budget presentation ahead.

I say thank you and meegwetch for listening to me.

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you, Chief Johnston, for your comments. You will have questions now from the official opposition. Mr. Fedeli.

Mr. Victor Fedeli: Thank you very much, Chair, and thank you, Chief, for a well-thought-out presentation. Two presenters before you, Gary Dokis—I don't know if you were here for—

Chief Elaine Johnston: Yes, I heard the last part of it.

Mr. Victor Fedeli: He talked about the Ontario master education agreement and the Anishinabek Nation growth and recovery plan. Do these fit into what you're talking about?

Chief Elaine Johnston: Somewhat. The economic growth plan does fit in. In regard to the master education framework agreement, our community is choosing not to

participate in that, and there are a number of reasons that we are choosing to do that. This gets back to the community-based funding that I'm talking about. A lot of the master education framework agreement is looking at more regional-based activities. We need to see some of that translate back to the community, and that's what I'm talking about.

I'm going to talk about government. There's lots of staff within government to do a lot of the work. A lot of the First Nations aboriginal organizations do not have those staffs. The Anishinabek Nation is looking to have that staff at the region to do some of the work. However, it doesn't always translate to the community level. That's what I'm talking about. We need to see more resources at the community level because we're dealing with education and we're dealing with child welfare every day.

Mr. Victor Fedeli: Gary told us that there were 30 of the 39 communities that participated. Are you—

Chief Elaine Johnston: We're not part of that.

Mr. Victor Fedeli: You're part of those nine that—

Chief Elaine Johnston: That have chosen not to. That's correct.

Mr. Victor Fedeli: In your recommendations, you talked about seeking economic opportunities for economic growth. Can you give us any example of the area that you're speaking of or even the geographic area that you're speaking of or the specific area of economic activity?

Chief Elaine Johnston: I think that one of the things that you talk about is that we have a lot of resources in our area. I'm between Sudbury and Sault Ste. Marie. We were quite involved with Elliot Lake and the mining industry. That has not flowed through. What other opportunities might be available? I know that there was the sale of Hydro One. Looking at the sale of Hydro One, are there opportunities there that the First Nations could be involved with? But also we would need to look at the high rates of hydro. What are the opportunities that might be available? Skills training: If we don't have the jobs within our community, can we look at other opportunities outside of our traditional territory? I'm not sure what some of the available opportunities might be, but we need to really look at those.

Mr. Victor Fedeli: Within your own organization, do you have an economic development team, Chief?

Chief Elaine Johnston: Yes, we have an economic development corporation. That is what we're trying to do: look at opportunities. We are right now, at the present time, looking at windmill operation.

Mr. Victor Fedeli: Okay. I appreciate that.

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you very much for your presentation.

Chief Elaine Johnston: Thank you.

MR. ERNO GULYAS

The Vice-Chair (Mr. Peter Z. Milczyn): Our next witness is Erno Gulyas. Good afternoon, sir.

Mr. Erno Gulyas: Good afternoon.

1430

The Vice-Chair (Mr. Peter Z. Milczyn): You have 10 minutes for your presentation. That will be followed by five minutes of questions, in your case by the third party. For the official record, could you please state your name before you begin?

Mr. Erno Gulyas: I'm sorry. What's the last part?

The Vice-Chair (Mr. Peter Z. Milczyn): Could you please state your name, just so we can officially record it?

Mr. Erno Gulyas: Good afternoon, good people. My name is Erno Alfred Gulyas. I was born here in Canada, in Windsor, Ontario. Erno is Hungarian for Ernest or Ernie. I'm commonly known as Ernie or Ernest. Gulyas is the correct way of spelling Hungarian goulash. So that's your trivia for today, and you can file that away in your storage of useless knowledge.

I thank you for the opportunity to moan, groan, scream, yell, cry, sprinkle ashes and rend garments and, above all, to be able to vent and express my opinions. Please bear with me, because I'm not known to be politically correct.

To let everyone know where I'm standing and from where I'm coming, I'm totally against P3 hospitals. I do not belong to any organization or group, but my beliefs seem to be borne out by what appears to be happening. We're heading down the road to selling off or privatizing hospitals, as in the case of the US—for-profit hospitals, if you will. It is horribly undermining a system started many years ago by a fellow by the name of Tommy Douglas: affordable and accessible medical care for all citizens. I won't go into high-paid lobbyists buttonholing politicians on behalf of the megabucks trying to buy hospitals. I wonder now how many offshore bank accounts are being topped up each year.

Since we're here to speak about money, may I recommend the firing of most, if not all, of the CEOs who are paid obscene amounts of money each year? I do not buy that old saw of, "We have to pay that kind of money to attract and keep that kind of help." Any CEO who will not answer phones and who hides from the public day after day instead of meeting people and listening to their concerns—good, bad or indifferent—is not a good administrator and does not deserve a job. There are many, many capable women and men out there who would show empathy and be happy to do it for a lot less remuneration. Stick your hand in a pail of water and pull it out; see what kind of a hole you leave. That's how hard it would be to find qualified and capable replacements.

I'm given to understand that about 34% of Canada's health care expenditures is spent on bureaucracy. There is certainly room to cut back on that. We don't need a bunch of minions running around with clipboards, trying to justify their existence. Fire a bunch of them and put more nurses on the floor, where help is desperately needed. Nurses are burning out by the busload and they have to take time off, causing more shortages. Perhaps you're not familiar with Parkinson's law. It was written

by a naval commander. Parkinson's law is where one job ends up being a whole pyramid of jobs, both within hospitals and government.

Toronto may consider us to be hicks up here in the boonies, but to insult what little intelligence we do have by shipping in mass-produced food and saying that it is "rethermalized," a euphemism if I've ever heard one—what ever happened to in-house, properly cooked food? I won't go into quality. Saving money for profit?

While I'm on the subject of food, I witnessed, when I was hospitalized several years ago, an old fellow who was in the room with me and was unable to eat his food that was plunked down on his table because of weakness. He couldn't turn and reach it. The staff were too busy—they were short-staffed—to help him. I couldn't, because of my situation, so all I could do was keep trying to get someone to feed him. The poor fellow was too weak to even poke a straw into a box of juice when somebody finally came, after my repeated calls. Saving money on staff? I know of actual situations where the tray that was plunked down was picked up and taken back totally untouched. Talk about starvation. As I say, you're saving money on staff for a profit. At what cost? Profit? What's it doing to the patients?

We are all fully aware that local health integration networks were put into place to create a buffer between Queen's Park and the public. If one tries to speak to anyone at Queen's Park about health issues, they're told to contact the local LHIN. But LHINs are only able to do what the monies they get from Toronto enable them to do, and they certainly do not know how to run health systems. That's why I commend the panel here for having the courage and the intestinal fortitude to face the public and at least listen.

Unfortunately, in my lifetime of 82-plus years, I have attended many government hearings and I have found that it's usually preordained in Toronto what the outcome is going to be. The hearings are simply to be able to say that the public was consulted. I hope and truly trust that today is not one of those days.

I won't go into details about mismanagement that is inherent in government. Suffice to mention cancelled gas plants, medical computer systems, Ornge, green energy, the giveaway of Highway 407, and the list goes on to this present day.

CCACs, community care access centres, that horrific nightmare of administration: service not being given, bosses giving themselves big raises, staff not even getting cost-of-living increases for years, and staffing being cut back. Now I'm given to understand that it may be turned over to LHINs to operate. Really?

Parking: Allow me to put this in the context of how it affects the consumer. My wife and I—and I don't mind telling you this—are poverty-level pensioners. I won't go into the details of prices increasing, and I hope that we don't have to spend the 55-cents-a-month raise we got last year all in one place, but it's worth mentioning the cartoon I saw the other day of the elderly couple in a bank trying to get a loan. For what? They wanted to put a

down payment on a head of cauliflower. It's not a joke, really. Six to eight bucks for a not-too-big head: That's a little ridiculous. Goodbye to healthy eating.

Should I mention Ontario's electricity costs, which are steadily and exponentially rising? I previously mentioned stupidity and mismanagement. That is another story of mismanagement: selling off a utility that was providing \$1 billion of clear money to the provincial government each year because Toronto needs money for transit. So now us hicks in the north are supporting Toronto.

If one's family doctor orders a series of tests and they can only be done at the hospital, I have yet to see a series of tests carried out in one trip, or if one has to be taken up for some injury or medical emergency. Which groceries does one have to take off the table to be able to park up there? Six bucks for a trip is a lot of money for poverty pensioners. Yes, I've heard that the parking is capped. I heard the other day that parking is capped at \$6 for five years, but it's still too much money. When parking lots bring in over \$1 million a year—that's what's happening up there—you're going to have one heck of a job convincing me that it takes \$1 million-plus to maintain that parking lot. Make money, profit for the P3 hospital? It's interesting that the details of the P3 agreement have never been released. Make money, profit.

Yes, I've heard the cry, "We'll lose money. They pay \$20 in Toronto and \$15 in Ottawa," and so on. The profit motive is further eroding the vision of affordable and accessible health care for all Canadians. The operative word is "accessible."

What do people do when realizing there is not enough staffing to properly look after patients? They go up and make sure that their loved ones or friends are at least fed to help care for them. Many seniors do this. Again, what groceries do they have to take off their table to be able to pay for parking to help look after loved ones or friends?

The bottom line is that the Ontario government, in order to cover their past mismanagement, has been and is still looking to cut and save on the last thing that should be touched: health care.

1440

I'd better quit. My blood pressure is up pretty much now. I thank you very much. A blood pressure rise is what this old turkey doesn't need, but I thank you once again for giving me the opportunity to speak.

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you, Mr. Gulyas. Ms. Fife has questions for you.

Ms. Catherine Fife: Thank you, Erno, if I can call you Erno—is that okay?

Mr. Erno Gulyas: Yes.

Ms. Catherine Fife: I just want to say that it's rare for us to have an independent citizen come in and just share everything. You touched on—

Mr. Erno Gulyas: I shoot my mouth off.

Ms. Catherine Fife: No. It's really important, actually, for the democratic process, so I just wanted to say thank you for that.

I wanted to thank you also for raising the issue of nutrition in hospitals. Health care has been the dominant

theme at every location, from Hamilton to the Soo. You've talked about the privatization and the contracting out. Your concerns, actually, have been confirmed by the Auditor General on the way that health care has been contracted out and privatized, even including the CCACs, which you mentioned as well.

I don't know if you heard about that report, but she did mention that the government has not done a full economic analysis. It's \$2.1 billion that goes to CCACs. They've never done a full, thorough financial analysis as to whether or not those dollars are making a difference to patient care. She found that only 61% of the funding was actually going to direct patient care. So your instincts are right on the money, so to speak, if you can find the money.

The nutrition piece is the part about keeping people healthy in Ontario, right? Perhaps as a senior, you might like to talk about some of the challenges that you find, as a senior, in Ontario to try to stay healthy. The goal is to stay out of the hospitals, because they're not fun places to be. Particularly in northern Ontario, they're quite crowded. Did you want to mention—because you are a pensioner on a fixed income.

Mr. Erno Gulyas: Very much so.

Ms. Catherine Fife: All right.

Mr. Erno Gulyas: I worked for myself too many years, so I don't have much of a pension. The big problem we've got is the exponential increase in costs of grocery store food. My doctor told me this morning, "Ernie," he says, "why don't you buy frozen food? It's almost as nutritious, and you don't have to pay the high cost. So if you use that, you'll improve your nutrition that way."

You certainly can't go out and afford to buy steak. You're lucky if you can buy pork or beef hamburger. As I say, in the hospitals, going back to the mass-produced food: In my estimation—I'm going to be blunt—it's garbage.

Ms. Catherine Fife: Yes. It's processed.

Mr. Erno Gulyas: It's all processed food. There isn't a heck of a lot of nutrition in processed food. So that's why I say: What's wrong with home-cooked food or in-house cooked food? If they can do it up at the old age homes—at the Davey home, they have kitchens there where the food is cooked to feed the old-timers. I hope I don't end up in there, but who knows? I don't have a crystal ball to tell the future.

Yes, it can be done, and it can be done economically.

Ms. Catherine Fife: You also raised the issue of the cost of living in the north. Energy prices have also been a consistent theme that we've heard. Have you been following the sell-off of Hydro One by the Kathleen Wynne government?

Mr. Erno Gulyas: No.

Ms. Catherine Fife: You haven't. Okay. Have your hydro bills gone up?

Mr. Erno Gulyas: Yes, absolutely.

Ms. Catherine Fife: Yes, and you're on a fixed income. Listen: I do want to thank you. At 82 years, you

seem to be holding your own pretty nicely. You've given us lots of comments to reference going forward. So thank you for taking the time and coming to speak to us.

Mr. Erno Gulyas: I just wanted to put one person's perspective, from an old-timer pensioner, into the picture here, because I know that there are all kinds of organizations that are presenting.

Ms. Catherine Fife: Absolutely. You couldn't be more right. Thank you very much.

Mr. Erno Gulyas: Thank you.

Ms. Catherine Fife: Have a good day.

Mr. Michael Mantha: Chair?

The Vice-Chair (Mr. Peter Z. Milczyn): You have one more minute.

Mr. Michael Mantha: One more minute. I just wanted to thank you, because what you shared with the committee today is something that I've been hearing consistently across Algoma-Manitoulin and across the north from many other veterans who are in the same position that you are.

I have one question for you. Your 52-cent increase: Did you sit down with your consultant—

Mr. Erno Gulyas: It's 52 cents a month.

Mr. Michael Mantha: It's 52 cents a month. Did you sit down to find out where you're going to invest that entire 52 cents?

Mr. Erno Gulyas: I was just trying to figure out where to spend it. By golly, I don't have much money to spend, and I want to find out where to spend it. It certainly is not going to be on a cup of coffee, because—

Mr. Michael Mantha: You can't afford a cup of coffee with 52 cents any more. Thank you very much for coming in.

Mr. Erno Gulyas: I thank you.

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you, sir, very much.

PREGNANCY AND INFANT LOSS NETWORK

The Vice-Chair (Mr. Peter Z. Milczyn): Our next witness is the PAIL Network.

Ms. Shannon Bedard: Do I just sit anywhere?

The Vice-Chair (Mr. Peter Z. Milczyn): Yes. Make yourself comfortable. You have 10 minutes to present, following which there will be five minutes for questions, in your case from the government side. For the record, could you please state your name before you begin?

Ms. Shannon Bedard: Shannon Bedard. Good afternoon, Mr. Chairperson, committee and guests. My name is Shannon Bedard. I am a volunteer as well as a member of the board of directors of PAIL Network. Today, I stand before you as a bereaved mother.

Pregnancy and infant loss is a loss like no other. I had heard of it but never believed it would happen to me. I've dreamed of being a mom since I was a child playing with my dolls. Losing my babies was not part of the fairy tales I was told. How was I expected to be prepared?

Loss is hard. No one wants to talk about loss. I have suffered a number of losses, and not one loss is the same as the next. When I was told, "I'm afraid your baby is dead" in front of the hospital gift shop, my world collapsed. I'd been telling my doctor for weeks, "Something is wrong." He assured me over and over again that I was over three months and I would not miscarry again. Now I'm almost eight months along. How could this be?

I'm told my baby is poisoning me. My doctor does not know how long he has been gone. All I want is the familiarity of my surroundings and the faces of my loved ones, but I am told I need to pack my bags for the longest two-hour drive of my life. Luckily, I had my mother to drive me. I couldn't imagine what it was like for my husband to receive the news 9,600 feet underground and then have a four-hour drive alone to meet me at the hospital.

After over nine hours of induced labour, Hunter was born silent. He was beautiful—perfect in every way. The nurse took one picture, which I am grateful for. However, she failed to take the time to make sure he looked like himself. Did she not realize this was the only picture I would ever have of our son? Our doctor insisted we hold him. I am thankful he insisted. I didn't understand the importance of this at the time. I wish I had more pictures and more time.

I did not appreciate watching a nurse soothe a colicky baby minutes after my baby's birth and death.

I have his hand and foot prints. Unfortunately, it also has errors. My husband's name is spelled completely incorrectly. Did they not realize this was the one and only keepsake I would have of our son?

Leaving the hospital empty-handed is something I would not wish upon my worst enemy. It took me going down the hallway four times in tears to leave. How could I be expected to know what to do after my baby died? I was in a state of shock.

If Hunter was born alive, I would have the health unit's baby program check in on me and a list of services offered in my area. I don't have any of those. I don't matter because my baby is dead.

My one-month check-up with my specialist being booked in the middle of a baby clinic puzzles me to this day. I should not have had to run from my doctor's office to hide in a vehicle and cry.

Thankfully, the hospital sent me a survey to find out how my care was and how my baby was feeding and doing at home. Did they forget that he was dead? Communication in the health system could have prevented this.

Cancelling a baby shower to plan a funeral: Friends and family tell me, "Everything happens for a reason." What reason is that? Did I deserve for my baby to die? Or, "You can always try again." Really? Which of your children could you live without? How do I pack up his nursery? Instead, I just close the door.

Soon, friends and family disappear. I can't blame them. What can you do or say after a baby dies? It is our health and education system that has failed to educate

them on matters of the health, heart and mind. It is simple: Just be there and listen.

I also wish I would have known to expect my milk to come in. It was like one last slap in the face from Mother Nature, a cruel joke to remind me of what I am missing, as if I could ever forget. I was told a prescription was available to dry up my milk, so I went to emerg, which is the normal up here. You cannot get an appointment for weeks. After explaining to the doctor what I was experiencing, his words were, "What makes you think you're lactating? Clearly you don't have a baby." I broke down and lost it. He said nothing and left the room and sent someone else in.

Living in a small northern town has its beauty, but after a loss it can be very dark, especially after a loss as taboo as this. I turned for help; I looked everywhere. I was sent from the family counselling service centre to the health unit and then to the library. In the library, I was greeted by the librarian. I expected there would be something set up there for loss. However, she was speechless and kind of stunned. I felt horrible that she had no peace to offer me.

1450

I struggled to smile. I struggled to live. Thankfully, I have my daughter to keep me here. I should be surrounded by loved ones and a beautiful baby, but because my baby died, everyone is afraid of me, and I know. If I don't get support, how am I supposed to support my six-year-old daughter, who expected me to come home with her brother?

Doctors who lack professionalism and morals did not help. Had my care been different, more empathetic and compassionate, my state of mind may have been different at the time.

With every miscarriage came a different set of issues: DNCs, emerg visits, hospital stays. I remember once an admitting nurse telling me I had to go home to get the fetus and bring it back in a plastic bag. Did she not pick up on the fact that that lifeless body I had to take out of the toilet was my son? Although miscarriages happen every day, they don't happen every day to that person. Where is the compassion and the empathy?

I struggled for years, each loss chipping away at my heart. The lack of services was devastating to me, and I decided I wasn't going to stand for it. I organized October 15 infant loss memorial services for a few years. I couldn't believe how many others like me are out there, each story more tragic than the next. The gatherings grew larger and the support grew wider each year. The need is there, but the services and support are not. It's such a shame; so many lives could be changed and different.

I am very thankful for a caring emerg nurse who helped me keep my dignity when I was at my weakest, for the funeral director who gave me compassion and understanding, and the technician who gave me a few more minutes to watch my baby before he was gone. If only all care was of their standards.

Being from a retirement town, I have heard stories from all ages. One story that touched me is from an older

lady. She told me her story and spoke of her beloved child. I told her I was sorry for her loss. She said it was the first time someone had ever said those words to her in over 25 years. It broke my heart as I held her and she cried.

Eventually, I found PAIL Network. Pregnancy and Infant Loss Network is a non-profit organization offering support services to families experiencing loss. I volunteered for them for a number of years, offering peer-to-peer support services. Now I am on the board of directors.

Some 37,000 families experienced pregnancy and infant loss this past year. That is a huge number of families that aren't receiving the support that they deserve.

PAIL Network operates on a shoestring budget, with only two paid staff members and a large, dedicated team of volunteers across Ontario. With the recent awareness month this past October, our intakes in December have gone up by 487% from the previous year. Our peer-led support groups have grown from 11 groups in 2014 to 27 groups across the province in 2015. For all the families PAIL Network has helped, there are thousands more that have not been reached. It's time to change that.

After enduring the pain of 11 losses, we finally had our rainbow. Life is happier now, but not a minute goes by that I don't remember my son. Not a holiday goes by without wondering what he would be like. But I have realized that with his loss I received a great gift. He taught me what love is. It cannot be seen or touched; it can only be felt within, and it's the only love he ever knew. I may not have my son with me, but he lives through me as long as I share that love.

I tell you these stories in hopes that you will help make the changes for families across Ontario and make their lives different. Thank you for your time. If anyone has questions, I would be happy to answer them.

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you, Ms. Bedard. Ms. Vernile has questions for you.

Ms. Daiene Vernile: Shannon, that's just a heart-breaking story. Thank you very much for sharing your personal story with us in this very public forum. I can't imagine that it's easy to do that, to talk about the loss of your son. You have our sympathies. Your lived experiences with infant loss, with bereavement, have given us great insight into what parents like you have experienced.

You're probably well aware of the fact that one of my colleagues, MPP Michael Colle, has a bill before the House right now, Bill 141. This is going to address pregnancy and infant loss awareness. I want to deliver a message to him directly from you. What would you like to tell him about this bill?

Ms. Shannon Bedard: I've actually had the opportunity to work with him and speak with him. I was there for the reading.

Ms. Daiene Vernile: Oh, fantastic. And if this is passed, how do you think that this is going to help parents like you?

Ms. Shannon Bedard: I don't think it will, even if it's passed—yes, it lets people know that their pain has been acknowledged. However, if we don't take action to

make those small changes with some of the things that have happened to me, I think families will still feel alone, if the empathy and the compassion are not there.

Ms. Daiene Vernile: We heard this morning from a nurse from the Sault Area Hospital, Kierston Miron. Are you familiar with her? She's dealing with patient care. She's a manager there.

Ms. Shannon Bedard: I don't know her.

Ms. Daiene Vernile: She talked about how important training was and how, currently, there isn't training for staff when it comes to dealing with parents, such as yourself, who are experiencing a loss. Can you give us some more insight into what you would like to see in terms of training?

Ms. Shannon Bedard: PAIL Network actually offers a perinatal bereavement sensitivity training program. I would love to see every person in the health care field take that course. It makes a world of difference. Just the small things, like when my baby was born and looking out the door and seeing a nurse rock a baby—of course you're happy for that person going home with that healthy baby, but it's a slap in the face. I can only imagine how that nurse feels, as well, having to go from one room where the baby is born silent to another room and be happy. They need the training, as well, for their own mental health.

Ms. Daiene Vernile: I think that with most people, when it comes to death and dying, most of us are at a loss at knowing what to say when we're trying to speak with friends or family dealing with the situation. So this kind of training would go a long way, wouldn't it?

Ms. Shannon Bedard: Absolutely. I also believe that it should be taught in the school systems. If we're taught about pregnancy in health classes, children should also be taught about loss. If they're not taught, how are they supposed to be prepared and know how to handle the grieving process and know what to expect? As well, if they were taught in the education system, I think it would change the outlook on people as they grow, how they would deal with such losses in the workforce, the health network, or in any field that they're in.

Ms. Daiene Vernile: I know that my colleague MPP Colle is very passionate about this bill, and he appreciates your support. I thank you very much for coming here today and speaking with us and sharing your personal story.

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you very much. You touched everybody today.

Ms. Shannon Bedard: Thank you.

MS. KATHLEEN CAMERON

The Vice-Chair (Mr. Peter Z. Milczyn): Our next witness is Kathy Cameron.

Ms. Kathleen Cameron: Hello. I'm Kathleen Cameron. I'm here in support for Shannon and what she's trying to do.

The Vice-Chair (Mr. Peter Z. Milczyn): You have 10 minutes, if you want to share a story with us.

Ms. Kathleen Cameron: Okay. I don't think I'll take that long.

I'm a retired nurse of 50 years. When I was 18, I lost my first child. He was born one month premature, and in those days, there was nothing to be done; there was nothing to help them. There was nothing that you could do. You were turned back onto another side of the floor, and nobody came to talk to you; nobody came to say hello or anything. You were just left there.

Being a nurse, I was thankful for that little bit of training. But I still think, "I never had an opportunity to say goodbye to him." He was not buried in Elliot Lake. There was no cemetery—sorry; I'll get control in a minute.

I was told by one of the sisters at the hospital, "Well, if the baby dies, the baby dies." That was my comfort.

Anyway, I was a week getting out of the hospital. When I got home, all his clothes were gone—my friends thought it would be a great idea. It wasn't; it was the most terrible thing in the world to do. After this, my husband—and I must say I didn't give him enough credit either, and I'm so sorry. More husbands should be included in losses like this. My husband turned to being an alcoholic, and our marriage fell apart. I think that if we had had help from anywhere, this could have been prevented and he could have been helped too.

That's all I'm going to say.

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you very much. Mr. Barrett, do you have any questions?

Mr. Toby Barrett: Yes, I do—not so much questions. Thank you, Kathy, and also—

Ms. Daiene Vernile: Shannon.

Mr. Toby Barrett: I'm sorry, Shannon—I wrote down "Sharon" by mistake for coming forward and telling us this story. We have heard this on some at our other hearings as well, as we travel.

Have you been in touch with Mike Colle as well?

Ms. Kathleen Cameron: No.

Mr. Toby Barrett: No. We just double-check.

The private member's bill that was introduced by Mike Colle was debated. That bill, as you probably know, did pass, and received royal assent on December 10. That legislation went through—the social justice committee? I just want to—

The Clerk of the Committee (Mr. Katch Koch): Social policy, Mr. Barrett.

1500

Mr. Toby Barrett: Social policy? Yes. So it is now a law. I don't have the legislation in front of me. This provides all of us—it provides Ontario; it provides our society—as a legal framework, to take off from there in one area to better enable our society to provide support, for example, to the self-help group that you were talking about. Obviously, it provides a framework for discussion for support and financial support.

For example, we have counsellors, bereavement counsellors, social workers. Most large hospitals have social workers.

Again, I don't have the legislation in front of me, but I get the impression, whether it be a physician, hospital

staff, other people in a position to help out, they seem to be caught flatfooted in these kinds of situations. Perhaps it goes right back to the kinds of education or training that people have in counselling in social work or social service work. I don't know.

You are involved now in helping other people. I'm sorry; I'm bouncing back to the previous presenter, if that's okay.

Physicians, for example, perhaps in their medical training, don't have a program to explain to them how to deal with this. I've known, in my previous work, for years and years and years, that a physician would get maybe an afternoon of training on alcoholism, and they spend so much time talking to people who are alcohol- or drug-dependent. They're a doctor, but in a sense, they're not prepared to deal with so many of the social or psychological ramifications of that particular disease.

Can you give us some further direction on what you would like to see happen? I just threw out some directions.

Ms. Kathleen Cameron: Is this directed to me or Shannon?

Mr. Toby Barrett: Either one of you, actually—if that's okay, Chair.

Ms. Kathleen Cameron: Through the years that I worked with doctors—you're absolutely right: They have really not had the training to deal with this sort of thing. They deliver the baby; it's over with, and they're gone. Then it's handed on to the nurses, and they're not trained enough in this.

Shannon is talking about support groups. If we'd had that back in the years that I went through all of this—I even had to help women through this, and I really didn't know what I was doing. I was just going on a wing and a prayer.

This is all I can really tell you about the way I feel about it.

Mr. Toby Barrett: By and large, we have a very well-developed health and social services system across the province of Ontario. There is obviously room for improvement and ongoing development. In our jobs as MPPs, we see it before this committee. Things change; things change as society continues on. In the medical field, new diseases arise—infectious diseases, for example—and new treatments arise, and new technology comes along—and new approaches to counselling, to better enable people to deal with this.

Again, as an elected MPP, my background is economics. I don't have a background in this kind of stuff. We turn to the resources of our society. We turn to the professionals. We have a role to ensure that they have the tools and the training and the opportunities to upgrade themselves, if anything—I don't know the right expression—to have a better manner about all of this.

That's about all I have to say, Chair.

The Vice-Chair (Mr. Peter Z. Milczyn): To both of you, thank you very much for coming and sharing with us today. You can be certain that your stories, we will take back, and work on developing the programs that need to be developed. Thank you.

Ms. Shannon Bedard: Thank you for giving us the opportunity.

Ms. Kathleen Cameron: Thank you very much.

MAMAWESWEN NORTH SHORE TRIBAL COUNCIL

The Vice-Chair (Mr. Peter Z. Milczyn): Our next witness is the Mamaweswen North Shore Tribal Council. I hope I pronounced that correctly.

Mr. Angus Toulouse: Yes, you did pronounce it correctly: Mamaweswen.

The Vice-Chair (Mr. Peter Z. Milczyn): You have 10 minutes, following which there will be questions for you from the third party. As you begin, if you could please state your name for the record.

Mr. Angus Toulouse: Boozhoo. *Remarks in Ojibway.*

I just introduced myself as Talking Crow, my spirit name. I'm of the Crane clan, and my English name is Angus Toulouse. I'm from Sagamok Anishnawbek, which is about two hours east of here. I'm joined by our chairman of the tribal council, Chief Reg Niganobe. He's from Mississauga First Nation.

If I may begin, you're in the territory of our neighbours, the Garden River First Nation, as was identified earlier. This is their territory, along with Batchewana First Nation, who are both in the proximity of Sault Ste. Marie. This has been our gathering place for many, many years, Sault Ste. Marie—Bawating, as we called it, and as the mayor refers to it these days; when he joined us recently at Christmastime, he said “Bawating,” which is what we know the city as. This is where the 1850 treaty that we're part of was signed and where we had the discussions way back then.

But if I may start, in November 2015, the Ontario economic outlook and progress report on the 2015 budget stated under “aboriginal partners” that “Ontario is heartened by the federal government's commitment to a renewed relationship with indigenous peoples. The province remains committed to working with aboriginal communities in a spirit of collaboration and mutual respect. This has led to historic agreements such as the First Nations–Ontario political accord, which commits parties to work together on issues of mutual interest and set a path for further reconciliation. Ontario will work with the federal government as it acts on its promises to make measurable progress on aboriginal education and clean drinking water, to move forward on the recommendations of the Truth and Reconciliation Commission, and to take action on missing and murdered aboriginal women and girls by calling a national inquiry.” That was on page 138 of Building Ontario Up.

However, as in the past, Ontario views First Nations peoples as a federal government matter, thereby pinning the hopes for building up First Nations peoples on the federal Liberal government's campaign promises. No doubt First Nations peoples in Ontario appreciate the leadership that Premier Wynne has shown in advocating First Nations issues in the federal-provincial context and

in entering into political agreements with First Nations leaders like the First Nations–Ontario political accord. Unfortunately, experience has shown that such doesn't necessarily transform into action and results. The actions and investments have to be directed to the First Nations communities themselves.

As a tribal council, our mandate is to serve the member communities, not represent them. Always, our message is that the investments, relationships, programs and services have to be directed at the First Nations communities.

Ontario's buildup is partly dependent on benefiting from resource development. As we all know, the resources are situated in the traditional lands of First Nations peoples, and their continuing rights and interests are confirmed by treaty, aboriginal rights and aboriginal title. We also know that First Nations peoples have not received their fair share of the wealth creation and distribution based on resource developments and the ongoing generation of revenues from crown lands. It should be easy to understand how First Nations peoples expect to receive provincial programs and services and investments from the developmental activity on lands where they continue to have constitutional rights and interests, yet it's always easy and convenient to play the federal-responsibility hand.

1510

The intentions regarding a new relationship between Ontario and First Nations must include provincial sharing of investments into Building Up Ontario which includes the First Nations and abandons the view that only the federal government has responsibilities to build up First Nations.

Fostering a more innovative and dynamic business environment: New investments are required to enhance First Nation participation in the economy. These investments need to be targeted toward expanding contracting opportunities and economic programs and incentives directed at First Nation communities or their economic bodies. Such programs and funding have to be directed at closing the growing labour gap, participating in major projects, particularly in the resource development and energy sectors, and balancing development and environmental protection responsibly and sustainably.

Equity funding to enable First Nation participation in major projects will address a major impediment for First Nations involvement to partner and work in a meaningful way with the private sector toward economic and employment outcomes. This investment would directly benefit and encourage First Nations economies on-reserve, but also benefit local economies in adjacent non-First Nation communities. This investment is critical to facilitate benefits in the natural resources and energy sectors for First Nations across Ontario.

Building tomorrow's infrastructure and asset organization: First Nations in Ontario and across the country are dependent on Indigenous and Northern Affairs Canada for capital and infrastructure funding. On an annual basis, the total federal budget allocation is totally inadequate,

which results in a significant backlog for First Nations who need funding for schools, water treatment and water lines, road building and maintenance, housing, administrative buildings etc. The existing capital and infrastructure in our First Nation communities is often old and in need of repair or replacement. Yet every time there are major infrastructure investment initiatives nationally or provincially, First Nation communities are often overlooked, again on the basis that First Nation needs are being met by Indian Affairs or that it's an Indian Affairs problem. Any infrastructure initiative, whether federally or provincially, has to include First Nation projects, many of which are shovel-ready, since such needs have been assessed and planned for but lack the funding to get them done.

Health and wellness: The provincial government needs to look at a variety of approaches to address the wellness and health of aboriginal individuals living in First Nation communities in northeastern Ontario. According to the North East LHIN data, we represent 9.5% of the population across northeastern Ontario, compared to only 2% of the population of Ontario. We also represent the fastest-growing population in urban areas of northeastern Ontario. However, many of the health funding initiatives, like Health Links, which is investing over \$100 million into communities across Ontario to divert the highest users of services from hospital emergency services to lower levels of community care, have little value for those aboriginal individuals who are the high users of service.

Many of these individuals have significant mental health and addictions challenges. They are not comfortable utilizing mainstream services like the Health Links system of services. Instead, they continue to utilize existing aboriginal health services being delivered by organizations like Mamaweswen, the North Shore Tribal Council, which currently do not have the capacity to meet all of their needs, or they simply fall through the cracks in service. Many of these individuals end up in the court system, resulting in significantly more costs to the province. The concept of investing in additional supports to help the top 5% users of health services, who often need lower levels of care than a hospital emergency ward, is on the right track to improving the health system, providing better services and saving money. However, these kinds of strategies need to have separate investment strategies with aboriginal organizations like Mamaweswen, the North Shore Tribal Council, that can provide the kinds of services needed for a specialized, hard-to-serve aboriginal population. The end result would be significant cost savings to Ontario's health care and court systems.

Patients First, Ontario's action plan for health services, has accumulated significant data from individuals surveyed from across the 14 LHINs and is providing the guide to LHINs for setting their key objectives and funding. The North East LHIN will be focusing on improving access, connecting services, informing patients and protecting public health. Provincial funders

must look at investing in existing aboriginal organizations like the North Shore Tribal Council if improvements are to be made to the aboriginal population across Ontario.

The Vice-Chair (Mr. Peter Z. Milczyn): Mr. Toulouse, could you wrap up your presentation?

Mr. Angus Toulouse: Sure.

North Shore Tribal Council has the existing infrastructure to provide services in a cost-effective manner, and this kind of approach will significantly enhance the integration of health services being delivered to aboriginal individuals.

Another approach for creating sustainable health care is for the provincial government to look at realignment of existing community services to better serve aboriginal individuals. Many mainstream organizations have little interest in providing services to First Nation communities, even though they are funded for this area of service. An example of this—

The Chair (Mr. Peter Z. Milczyn): Mr. Toulouse, your time is finished. I want to make sure there's ample time for questions. Questions will be coming from Mr. Mantha.

Mr. Michael Mantha: Boozhoo, Angus.

Mr. Angus Toulouse: Boozhoo.

Mr. Michael Mantha: *Remarks in Ojibway.*

Don't ask me how they gave me that name. There's a funny story behind it, and I look forward to sharing it with you one of these days.

I always enjoy, and both of you know, when—hello. Welcome, joining us here today.

I've been at many discussions within the communities, particularly with the North Shore Tribal Council across North Superior, and this has been a consistent message for many, many years. It's long overdue that we actually, as a government, stop saying words and actually implement the actions that you're looking for, which has been a request for a very long time. It's obvious, as has been stated quite clearly by other First Nations that have been here in the last couple of days, the troubles and the concerns that are there within the policing services and also within the health care.

I want to try to give you an opportunity to touch on the importance of building that capacity within your communities, getting the training ready, because you're absolutely correct. For the committee here, our future workforce is coming from First Nations and aboriginal communities. There's no ifs, ands or buts about it. That's where it's going to come from.

What is it that you need within your communities to make sure you can build your capacity and have your community members ready for that next flow of economic spin that will be coming?

Mr. Angus Toulouse: There's certainly a number of investments. It's really having the capacity at the community level to work with the youth, to have the kind of training opportunities that ought to be available in the mining sector, in the resource development sector.

We continue to see the real need in First Nation organizations and administrations needing the capacity

right there on the ground level to deal with some of the regional services that we're providing. So integration of programs and services really is necessary, but without having basic capacity at the community level—some of these regional services could be provided in a much more effective way. There is a correlation that is required when you have a regional service, and it's the seven communities that have agreed that—as an example, we provide and we deploy the doctors and the nurse practitioners, the physiotherapists and the occupational therapists from the tribal council right into the community. That's really what needs to take place. The service has to be at the community; the capacity has to be at the community. Even though the tribal council is a regional body, the seven communities direct as to where those economies of scale really have to take place in order to serve as many people as possible.

Mr. Michael Mantha: Having said that, again, you find yourself—and I know. You find yourself at a disadvantage because now you're finding yourself competing with other agencies that are not on First Nations because you don't have the proper level of resources in order to compensate your members while you are building your capacity to retain them, whether it's in your police services or whether it's within your health care, whether it's your RNs or whether it's your mental health care providers, because they are responsible to their families as well. So if there's a greater opportunity that is in the general public or off-reserve, of course they will go to that.

1520

But in order to bring the levels of funding within the First Nations so that you can compete as a general rule and retain your workforce, where do you see this discussion needing to go, and how quickly does it need to get there?

The Vice-Chair (Mr. Peter Z. Milczyn): Unfortunately, Mr. Mantha, your time is—

Mr. Angus Toulouse: Two-word answer: Equity funding. Mainstream health organizations get much more than an aboriginal health access centre.

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you very much for your presentation and your written submission today. Mr. Mantha knows that when our time is up, our time is up.

Mr. Michael Mantha: My time is kind of short versus what the other five minutes are. I just wanted to make that point clear.

The Vice-Chair (Mr. Peter Z. Milczyn): It was actually 15 minutes and 19 seconds, so you got extra time.

NOGDAWINDAMIN FAMILY AND COMMUNITY SERVICES

The Vice-Chair (Mr. Peter Z. Milczyn): Our next witness is Nogdawindamin Family and Community Services. Good afternoon.

Mr. Kerry Francis: Good afternoon.

The Vice-Chair (Mr. Peter Z. Milczyn): You have 10 minutes to present, following which there will be five minutes of questions, in your case from the government side. As you begin, if you could please state your name for the record.

Mr. Kerry Francis: Yes, my name is Kerry Francis. I'm the executive director for Nogdawindamin Family and Community Services. We're a regional agency and we actually work with the North Shore Tribal Council very closely and the seven First Nations across the North Shore region. I have prepared a brief, and that is before you.

Today, what I'd like to bring to your attention are three critical areas that are facing our organization. One in particular is transition and looking at child welfare funding; two is looking at capital dollars for a building for our organization; and three is looking at children's mental health funding.

Just a little bit of background information about our agency: We are an agency that has been around now for 25 years. We celebrated our 25th annual general assembly last fall. We are in the process of working with the North Shore Tribal Council as well as seven First Nations across the region, and they're cited in the brief: Batchewana First Nation; Garden River First Nation; Thessalon First Nation; Mississauga First Nation; Serpent River First Nation; Sagamok Anishnawbek; and Atikameksheng Anishnawbek.

With respect to a transition in child welfare funding, our agency's board of directors, in collaboration with the tribal council in 2009-10, agreed that we would pursue a child welfare designation as a full child welfare authority. A tribal council resolution was issued in this regard. We have been working very closely with the Ministry of Children and Youth Services on this process and we've been well at it within the past five years.

With this fiscal year, our organization received some transition funding in the amount of \$3.5 million to start our process. After advancing through the stages that the ministry has asked us to, what we're looking at as an organization next year, starting April 1, is to be successful through our transition plan. We will require \$11 million. What I've been advised by the local ministry office, which is through the Ministry of Children and Youth Services, is that there's only \$8.5 million in the pot, and at this stage of the game they don't know where the balance of the funds are going to come from. That's an issue for our organization. We have built our infrastructure. We're well on our way.

With respect to capital dollars, we are actually running into significant issues with office space for our staff. This is the second issue that I'd like to bring to your attention. We currently have seven sites across the region, from Batchewana to Atikameksheng. Our staff that we are bringing on board—it's very overcrowded right now. We're looking at space right now in our community here in the west, and it's few and far between.

The brief notes that our current staffing is at 80 employees. As we move through the transition process next

year, we are forecasting that our staffing complement will reach about 130. Sitting here as the administrator of that organization, we have had some discussions with our two communities in the west, Batchewana and Garden River, and we're looking at partnerships to be able to look at a building here in the west region, but we need some assistance with that process.

The third issue that I'd like to bring to your attention—just thinking about the time that I have here—is children's mental health funding. I've been with this agency for five years. Like I've said, it has been around for 25 years. As an organization, there have been numerous requests to the Ministry of Children and Youth Services for funding for children's mental health. To date, we have received no funding. The only small portion of funding that we have received was training dollars, which was in the amount of \$15,085 for a workforce of 80 employees. It's not a lot of money.

We've made request after request. There have been monies that have been given out over the past three years. Unfortunately, we have not received any money.

That's a large issue for our organization. When you look at child welfare, in terms of who we're going to be servicing when we get through our designation review in the fourth quarter of the next fiscal year, what we have to consider is what types of services we're going to be able to put into place for the children whom we're going to serve.

Sitting here, there are a total of almost 450 families that we will be providing service to across the region, and a total of 96 kids in care whom we will be responsible for. I'm not sure where we're going to be able to receive the culturally appropriate services that we're going to have to provide to these children while we're servicing them. I'd like to bring that to your attention.

The funding that we have requested historically was to build a model in partnership with our seven First Nations. We haven't asked for a lot of money, in my eyes—\$250,000—and we haven't received anything.

On that note, just to wrap up my comments very quickly, the Truth and Reconciliation Commission of Canada calls to action, a series of items regarding the aboriginal sector: If I can call your attention to the first recommendation, it deals specifically with child welfare. There are some recommendations that have been given to the government to follow through on. When you look at these three critical areas that I brought to your attention, two of them in particular deal with child welfare and one deals with children's mental health funding. I think those are suitable, based on the recommendations from the commission.

Thank you.

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you very much, Mr. Francis. We have questions from Ms. Wong.

Ms. Soo Wong: Thank you very much, Mr. Francis, for being here today. I believe that today we have heard from a number of chiefs who presented and had a similar theme that you have shared with us as well.

I know that the Premier herself has publicly committed to working with the federal government, dealing with the Truth and Reconciliation report and the recommendations.

With respect to the—I'm just going to go through—I think you made three basic asks, all focused mainly on young people—

Mr. Kerry Francis: That's correct.

Ms. Soo Wong: Right. Can you just give me, of the three envelopes that you're asking, what's the total amount? I'm seeing little pockets of—for the capital, I think you're asking for \$4 million to \$5 million, and in the transitional one—can you give me the total amount of the three asks?

Mr. Kerry Francis: The estimate in the requests that we're looking for is \$16,250,000.

Ms. Soo Wong: Okay. My next question here is, in terms of the conversations you've had to date with the Ministry of Children and Youth Services, was it brought to their attention with regard to capital? Particularly, as you probably heard, in our throne speech and in previous reports from the government, economic statements, we have put some emphasis on creating these community hubs.

Mr. Kerry Francis: That's correct.

Ms. Soo Wong: In your past conversations with the Ministry of Children and Youth Services, has that conversation been brought to their attention, about part of these capital dollars you're asking about, talking about building up community hubs in your community?

Mr. Kerry Francis: From the ministry's perspective, there's not a lot of information that has been brought to my attention regarding the community hubs. In partnership with the North Shore Tribal Council executive director for the health program, we have been working on that together, looking at how we can map out that process across the region for child welfare and for health.

We still have some work to do on that, but as far as the ministry is concerned, when there are discussions with the local program supervisor here in the city of Sault Ste. Marie, what we are faced with is that there are no capital funds.

Ms. Soo Wong: Okay. The other thing with regard to children's mental health funding—I think in your report, you indicated that there is no money to date from MCYS on children's mental health. How much money were you asking for in the previous year?

Mr. Kerry Francis: We have many proposals that have gone in. We have asked for a quarter of a million dollars, and we've received no funding.

1530

Just to kind of expand on that, the way that the North Shore Tribal Council works, and the First Nations, is that there has to be engagement and consultation. As an administrator of this organization, I can't independently develop a model and then deliver it. The communities need to be on board with the process.

Ms. Soo Wong: Yes, and I do appreciate your comments about dealing with a culturally appropriate

children and mental health program that's culturally sensitive to your community.

The other piece I know that previous chiefs have also shared with our committee today was with regard to working with the education sector—we've heard about the high suicide rate among aboriginal young people. Can you elaborate a little bit further? If the funding comes through for \$250,000, where would be the priority portion of the money? I know you got funding for training, so what's the next piece, besides training your staff?

Mr. Kerry Francis: What we're doing right now is that the \$250,000 would enable us to hire someone to build our model. That's exactly what it would be utilized for. It would allow us to go to the communities and talk to our leadership about what they want to see as far as mental health, making sure that it meets cultural competencies and has a cultural context to it.

The \$250,000 would only enable us to hire someone—some type of support staff to walk through our community. We're talking about a large region, from Batchewana to Atikameksheng in the eastern corridor. We would really need to look at what comes out of this consultation or engagement process to be able to look at how many staff we need to be able to deliver children's mental health services. There would be a need to have long-term funding to be able to continue to provide children's mental health services.

Ms. Soo Wong: Will this model that you're proposing be working in collaboration with the Ministry of Education?

Mr. Kerry Francis: Yes. As part of our evolution of our transition process for child welfare, our local ministry has told us that we will be required to work with five primary areas in terms of developing service collaboration and protocols, and one of them is education. Our team, my agency, has mapped out a comprehensive process from Sault Ste. Marie to Sudbury of who we need to work with in the education sector. We're launching a plan to be able to start doing that.

Ms. Soo Wong: I want to say thank you very much for your hard work and your entire team. I'm very grateful, as the chair of the committee, to see so many First Nations chiefs coming before this committee, and the fact that you consistently told us today—as well as this morning, when we were in Thunder Bay—about the child welfare issue. So I really appreciate your good work. I know for myself, as a former nurse, that I certainly champion some of the issues that you have brought forward to our attention.

I'm going to see if my other colleagues have any questions for you.

Mr. Kerry Francis: Thank you.

Ms. Soo Wong: Thank you again. Thank you for being here.

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you very much for your presentation.

Mr. Kerry Francis: Thank you.

SAULT STE. MARIE CHAMBER OF COMMERCE

The Vice-Chair (Mr. Peter Z. Milczyn): Our final witness of the afternoon is the Sault Ste. Marie Chamber of Commerce. Good afternoon, sir.

Mr. Jason Naccarato: Good afternoon.

The Vice-Chair (Mr. Peter Z. Milczyn): You have 10 minutes for your presentation, which will be followed by five minutes of questions, in your case by the official opposition. As you begin, could you state your name for the record?

Mr. Jason Naccarato: Sure. My name is Jason Naccarato. I'm a principal at North Star Consulting and the second vice-president of the Sault Ste. Marie Chamber of Commerce.

We as a chamber are constantly in contact with the business community here in Sault Ste. Marie, and we do what we can to keep our finger on the pulse of the local economy. There are a number of concerns that are always brought to our attention, and areas of focus, but today we'd like to focus on the following items that we feel are most important at this point in time, those being the Northern Ontario Heritage Fund, infrastructure here in northern Ontario, the lottery and gaming file, and energy.

When it comes to NOHFC, we find that NOHFC right now is working quite well for small to medium-sized enterprises. It's good for job creation in the 20-to-30 field. Where we see the potential not being reached is in the large opportunities, the opportunities where 200 to 300 jobs could be created. What we're seeing is other jurisdictions being more competitive in luring these types of opportunities to their geographic regions because of the maximum cap that we see on the Northern Ontario Heritage Fund for the maximum project allowable limit that can be authorized here internally without having to go to the Treasury Board.

Something we'd like you to consider would be looking at the Northern Ontario Heritage Fund and allowing us to increase that maximum capacity for allowable project contributions. We think that if the project has merit and the job creation is there, it's a simple change to allow those potentials to be reached. The large-scale projects, where we're talking about hundreds of jobs being created, could be allowed to come to fruition.

When it comes to infrastructure, the local economy here is really under a wave to look at diversification. If we're looking at some of the challenges that our steel mill and Tenaris, the oil and gas pipe manufacturer, have seen, a lot of the local businesses are looking to diversify. We need the infrastructure in place in order to do that and see that diversification. The port of Algoma is a very important project for us, allowing us to reach those export markets, allowing us to get our goods and services to other areas of the globe and take advantage of that globalization. That's a very important project for local businesses.

In addition, the highway access between Sault Ste. Marie and Sudbury, Highway 17, expanding the lanes

there—it's a two-lane highway now. It's both a safety concern, we feel, as well as it shows logistical challenges in moving goods and providing services along that corridor. In addition to that, the rail access to Michigan currently limits us somewhat logistically as well, where the double-stacked railcars cannot leave our shores and get into the Michigan Sault—access to that American economy. That's something, again, where we'd like to see some infrastructure looked at there.

As a final infrastructure point, it's education where we do see some skilled gaps in our local workforce, skilled gaps as far as getting the talent we need to fill some of the jobs, especially in the digital economy. We have Algoma University and Sault College here that are doing a good job, but they need the continued support of the province to be able to train those graduates that we need to have the workforce moving forward.

As far as lottery and gaming is concerned, privatization poses a significant risk to the Sault Ste. Marie economy. We'd like to see more of a human resource presence here in Sault Ste. Marie. A lot of the jobs are posted both in Toronto and Sault Ste. Marie. With human resources being in Toronto, we feel that we're not getting enough attention here in Sault Ste. Marie. We're not getting enough of those jobs that could be filled here in Sault Ste. Marie. We're seeing them getting filled in Toronto. We'd like to see a larger human resource presence here in Sault Ste. Marie. We'd like to see a stronger push through the privatization process, that the supply base is pushed to set up here in northern Ontario and set up here in Sault Ste. Marie. We think that that's very important to our local economy.

In addition, and finally on the lottery and gaming side, is the data centre project we've been working on here for about two years. It's a significant piece of the infrastructure we need for our digital economy. It would be northern Ontario's first significant data centre. It's something that, again, we encourage the province to look at and support—that data centre project—for us. We think that OLG can be a major contributor, as well as a number of other firms, and it's something that's important and needed in northern Ontario.

Finally, energy costs: I think businesses being vocal about energy costs is nothing new to you. Here in Sault Ste. Marie, we've really embraced the green energy or the clean energy initiative much stronger than most. It has been great. It has created a lot of jobs in the construction phase. Now, through the generation phase, there's not so much. We do have an exporter of solar panels here in the community that has done well by looking to the US to export its products, but we also have an idle gas plant. The gas plant could be producing power at a very low and economical rate, and that's appealing to business owners. Getting the price of power down on par with Quebec and Manitoba is very appealing to business owners. They're wondering why that gas plant cannot be back and fully operational, producing low-cost power again for the region, and creating some jobs in the process.

In addition, what has been really brought to our attention lately is the saveONenergy program. The saveONenergy program is there, the spirit is there, to allow business owners to look at their current energy use practices and look for ways to get more efficient. There are incentives there that are put in place; however, the incentives are rarely realized because of the cumbersome process and the difficulties that the business owners have in taking advantage of those incentives. It could just be that the support network isn't in place here in our region. There are a lot of incentives there that are in place by the province, but our businesses are having a hard time getting access to them. Unfortunately, they're either making these upgrades without the incentives or not making the upgrades because they are finding the process cumbersome and difficult to navigate. That's something where we'd like to see the province just make it an easier system, where, if the dollars are there—just allow the businesses to get access to it much easier.

That's essentially what we wanted to talk about: just bring those items to your attention. If you have any questions, I can elaborate further on any of those points.

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you very much. Mr. Fedeli has questions for you.

1540

Mr. Victor Fedeli: Thank you very much for being here. We appreciate you coming at the end of the day.

I wanted to talk about your first one, the large opportunities and the heritage fund. I live in the north as well. I live in North Bay, so we hear the same kind of thing.

The Auditor General, just in December, came out with her approximately 800-page report. There's a section on economic development. I'm just going to read you a sentence and ask for your thoughts on it.

The ministry she's talking about is the Ministry of Economic Development and Trade. She says, "The ministry has a mandate to cover all of Ontario, but has only ever funded one project in northern Ontario (in 2008)." That's back in 2008 when the one project was funded. "The ministry indicated this is because most northern companies are too small to qualify for the larger ministry funds, but it could not provide us with a list of all potential eligible northern candidates."

What are your thoughts on the fact that the ministry seems to think that we didn't get any money because we're too small?

Mr. Jason Naccarato: Well, in my experience—it's been a lot in economic development—we've been trying to attract companies to the north. Where this fund comes is—I don't think it's proper to say that the companies in the north are too small. We're trying to attract jobs to the north, which means we may be looking at firms outside of the north to do that. When we're talking with companies who want to create 200, 300, 500 jobs, having a cap of just over \$1 million doesn't really move the needle for them when other jurisdictions can offer a lot more.

What we're doing is we're saying, "Look at the opportunity." If you want to attract some of those larger opportunities—it may be northern Ontario companies; it

may not be northern Ontario companies—that upper limit is substantial. We're not saying, "It's a \$100-million fund. Change the value of the fund." We're not saying that at all. We're blessed to have that fund in northern Ontario. What we're saying is, allow us to have the ability to attract larger projects. Maybe instead of 20 small projects, where you're creating a handful of jobs here and there, allow us to go after that larger company that's going to come here and set up a large—it could be advanced manufacturing; it could be the digital economy; it could be a Google; it could be a forestry company; it could be someone who wants to take Sudbury's nickel and steel and make stainless steel. But something large like that need more than \$1 million to see it come to fruition.

Mr. Victor Fedeli: So you don't agree with the ministry that it's because northern Ontario companies are too small.

Mr. Jason Naccarato: No, I don't think that.

Mr. Victor Fedeli: We were in—what is today? If it's Thursday, it must be the Soo. Yesterday we were in Thunder Bay, and we heard from one of the forestry companies that had invested \$70 million in Atikokan. We've heard of the other \$100-million and \$200-million investments. They would not have anything to do with the heritage fund. They're way out of the scale of the heritage fund. We take your point, and we'll take that point back to the government as well.

This Auditor General continues, "Furthermore, the ministry has done no assessment of the benefits of funding companies in the north as compared to the south." What does that tell you when you hear a sentence like that, that they've not done an assessment of funding companies in the north as they have in south?

Mr. Jason Naccarato: Well, I'd have to ask them why, I guess. It wouldn't be clear to me. I wouldn't know why they wouldn't.

Mr. Victor Fedeli: It carries on, "Also, one local chamber of commerce in northern Ontario told us"—the auditor—"that when it reached out to the ministry for help to develop their local economy, it was told to contact instead the Ministry of Northern Development and Mines. This chamber of commerce expressed concern that the northern economy is being lost in the overall economic development picture"—again, because of what you're suggesting: The million-dollar limit prohibits any big company from looking to the north. Is that what you're suggesting?

Mr. Jason Naccarato: Yes. There are some good aspect to the Northern Ontario Heritage Fund. I would say that the good aspects are that the turnaround is relatively quick when we compare it to something like FedNor. The board is in the north, where it needs to be. That's something that we don't see at FedNor.

But that upper limit doesn't give us the tools we need to attract a larger fish, so to speak. It's geared toward small to medium-sized enterprises. If you want to go after a large enterprise, it's not equipped to do that. The

north was built on advanced manufacturing, whether that be in the forestry sector or in steel or mining or things of that nature. That's what the north was built on. We're a resource-rich economy. But in order to get that value-added, we need more than \$1 million to do it.

Mr. Victor Fedeli: Yes. I think you presented that pretty well: For the up to \$1 million, there's that fund available, but we haven't got the ability, then, to attract the "bigger fish," to use your words, because the ministry thinks we're too small to qualify for those.

Mr. Jason Naccarato: It's the chicken and the egg, right? We need more money to attract a larger company.

Mr. Victor Fedeli: The energy: You talked about that cancelled gas facility. That would have been a private company that built a small—they call it a non-utility generator, a NUG. They built a NUG here. They were running for—do you know how many years?

Mr. Jason Naccarato: Brookfield Power was the company. I believe it closed in or around 2014. I don't know how many years it was operating, but talking with Brookfield, it was a fully operating plant in very good working condition and was able to produce power through the use of natural gas, which is at historic lows right now, at a very attractive rate.

Mr. Victor Fedeli: Yes, we have those all over northern Ontario. They've really quietly done this. We were up around Cochrane, in Tunis, and there was a plant there. It was the same kind of thing. For years they've been running it with a contract, producing low-cost energy.

All of these small NUGs are being cancelled, whether it's a small hydro plant or, in this case, natural gas. The case in Tunis was a natural gas plant being cancelled because we have such an oversupply of energy in Ontario that they're cancelling these contracts. It's costing us a lot of employment, and it has been done under the radar.

Do you know how many people were employed at Brookfield?

Mr. Jason Naccarato: Not off the top of my head, no, I don't.

Mr. Victor Fedeli: The ones that I've seen that are closing are just here and there all through the north in these small communities. These little NUGs are closing, and they have about 10 or 12 or 15 people, but they are multi-million-dollar investments that were made years ago. We have them lining up in my office complaining about this. They made multi-million-dollar investments years ago, on the assumption, of course—they're business people. They are taking a risk, especially dealing with the government. They go ahead and they spend multi-millions of dollars, and their contract is renewed annually or every two or three years, and now none of them are being renewed and they are losing the investment. Your company should not feel out of place. It's happening right across northern Ontario.

How much time is left, Chair?

The Vice-Chair (Mr. Peter Z. Milczyn): One minute.

Mr. Victor Fedeli: Any other thoughts on the price of energy and what it's doing to the business community, seeing as that was your last point?

Mr. Jason Naccarato: Well, the business community normally takes energy in different forms. Depending on your economy—if you're Tenaris, you're not liking the price of oil being where it is; if you are a forestry company, you are very appreciative of oil where it is, as it's one of your main cost drivers.

But when it comes to the price of power in the north, and power being used a lot for heat in the north, it's posing a lot of challenges for northern Ontario businesses. They're looking for those economies of scale. A

lot of them have sister companies in Quebec or Manitoba, or partners in those provinces. They do the comparison and they do ask, "Why the difference? What are we doing?"

Mr. Victor Fedeli: The auditor weighed in on that as well, but we'll leave that for another day.

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you very much for your presentation.

That's all the deputants we have for this afternoon. Is there any other business for the committee? No? The committee is adjourned until 8:30 a.m. tomorrow in Ottawa.

The committee adjourned at 1548.

STANDING COMMITTEE ON FINANCE AND ECONOMIC AFFAIRS

Chair / Présidente

Ms. Soo Wong (Scarborough–Agincourt L)

Vice-Chair / Vice-Président

Mr. Peter Z. Milczyn (Etobicoke–Lakeshore L)

Mrs. Laura Albanese (York South–Weston / York-Sud–Weston L)

Mr. Yvan Baker (Etobicoke Centre / Etobicoke-Centre L)

Mr. Toby Barrett (Haldimand–Norfolk PC)

Mr. Victor Fedeli (Nipissing PC)

Ms. Catherine Fife (Kitchener–Waterloo ND)

Ms. Ann Hoggarth (Barrie L)

Mr. Peter Z. Milczyn (Etobicoke–Lakeshore L)

Ms. Daiene Vernile (Kitchener Centre / Kitchener-Centre L)

Ms. Soo Wong (Scarborough–Agincourt L)

Also taking part / Autres participants et participantes

Mr. Michael Mantha (Algoma–Manitoulin ND)

Hon. David Oraziatti (Sault Ste. Marie L)

Clerk / Greffier

Mr. Katch Koch

Staff / Personnel

Ms. Mercedes Lee, research officer,
Research Services

CONTENTS

Thursday 21 January 2016

Pre-budget consultations	F-1041
Essar Steel Algoma Inc.	F-1041
Ms. Brenda Stenta	
Hospice Palliative Care Ontario; Algoma Residential Community Hospice	F-1043
Ms. Theresa Mudge	
Maternal Child Program, Sault Area Hospital	F-1045
Ms. Kierston Miron	
Sault Area Hospital	F-1047
Mr. Max Liedke	
Sault College	F-1050
Dr. Ron Common	
Ms. Cecilia Bruno	
Ms. Margo Dale	F-1052
Sault and Area Health Coalition	F-1055
Mr. Folgo Della Vedova	
Sault Ste. Marie Economic Development Corp.	F-1058
Mr. Tom Dodds	
OPSEU	F-1060
Mr. Jeff Arbus	
Sault Ste. Marie Innovation Centre	F-1063
Mr. Tom Vair	
Domtar	F-1065
Ms. Bonny Skene	
Anishinabek Police Service	F-1067
Chief Tom Bressette	
Mr. Dave Whitlow	
Union of Ontario Indians	F-1069
Mr. Gary Dokis	
Ontario Council of Hospital Unions	F-1071
Mr. Michael Hurley	
OPSEU	F-1073
Ms. Lynn Dee Eason	
Serpent River First Nation	F-1076
Chief Elaine Johnston	
Mr. Erno Gulyas	F-1078
Pregnancy and Infant Loss Network	F-1080
Ms. Shannon Bedard	
Ms. Kathleen Cameron	F-1082
Mamaweswen North Shore Tribal Council	F-1084
Mr. Angus Toulouse	
Nogdawindamin Family and Community Services	F-1086
Mr. Kerry Francis	
Sault Ste. Marie Chamber of Commerce	F-1088
Mr. Jason Naccarato	



F-35

F-35

ISSN 1180-4386

Legislative Assembly of Ontario

First Session, 41st Parliament

Assemblée législative de l'Ontario

Première session, 41^e législature

Official Report of Debates (Hansard)

Friday 22 January 2016

Journal des débats (Hansard)

Vendredi 22 janvier 2016

Standing Committee on Finance and Economic Affairs

Pre-budget consultations

Comité permanent des finances et des affaires économiques

Consultations prébudgétaires

Hansard on the Internet

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. The address is:

<http://www.ontla.on.ca/>

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 416-325-3708.

Le Journal des débats sur Internet

L'adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance est :

Renseignements sur l'index

Adressez vos questions portant sur des numéros précédents du Journal des débats au personnel de l'index, qui vous fourniront des références aux pages dans l'index cumulatif, en composant le 416-325-7410 ou le 416-325-3708.



LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRSCOMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Friday 22 January 2016

Vendredi 22 janvier 2016

The committee met at 0830 in the Ottawa Marriott Hotel, Ottawa.

PRE-BUDGET CONSULTATIONS

The Chair (Ms. Soo Wong): Good morning. Welcome to Ottawa. I just want to inform the committee that the Clerk just told me that we're streaming live back to Queen's Park. They're doing an experiment this morning on us, so let's see how it goes. We may be watched by our colleagues and others this morning.

We're starting early this morning. Good morning, Mr. Clark and Ms. Lisa MacLeod. Welcome. It's nice and sunny.

Ms. Lisa MacLeod: Bonne année.

The Chair (Ms. Soo Wong): Happy new year to both of you.

Interjection.

The Chair (Ms. Soo Wong): Gong Hei Fat Choy to you too.

ADVOCIS

The Chair (Ms. Soo Wong): The first group coming to us is Advocis, the Financial Advisors Association of Canada: Mr. Kris Birchard. Welcome.

Interjection.

The Chair (Ms. Soo Wong): I understand from the Clerk that you have brought one copy, so the Clerk will circulate your written submission shortly, just so you know.

Mr. Kris Birchard: Yes. I apologize for not bringing enough. I only brought three.

The Chair (Ms. Soo Wong): That's okay. We'll look after that.

As you probably heard, you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from the official third party. You may begin any time. When you begin, please identify yourself for the purposes of Hansard. Welcome.

Mr. Kris Birchard: Thank you. My name is Kris Birchard and I'm the national chair of government relations for Advocis, the Financial Advisors Association of Canada.

Advocis would like to thank the Ontario government for its attention to reviewing the regulation of financial

advisers and planners. As I said, my name is Kris Birchard. I am a principal of a financial services firm in Ottawa and a practising financial adviser.

We believe that in order to protect Ontarians, any regulation must be inclusive of all financial advisers, not just financial planners, as some other groups are proposing.

Despite all the work that's being done in the financial advice industry through the expert committees, it's important not to lose sight of the fact that securities regulators in Canada and Ontario are considering imposing a ban on third-party commissions on mutual funds and the imposition of statutory fiduciary duty for advisers. This proposed direction resembles regulatory changes that have taken place in the UK and Australia, leading to dramatic losses in the provision of financial advice to the middle class.

Recently, Tracey McDermott, the acting chief executive at the Financial Conduct Authority in the UK, has suggested that the UK may return to some element of commission compensation for advisers. This was the result of the loss of financial advice being given because of the mass exodus of financial advisers in the UK. This evaluation of the RDR showcases the need for us to be very careful with any regulation we decide to implement here in Ontario. We need to be sure that Ontarians continue to have access to the advice they need to ensure their future financial health.

Advocis has argued that comprehensive empirical evidence is needed prior to any reforms with respect to the banning of commissions or changing from the common law fiduciary standard that currently exists to a statutory fiduciary standard. We have researched and written extensively on these topics and are of the view that a change to the existing fiduciary duty or commissions will harm and not benefit our clients. We would refer the government to our detailed analysis on fiduciary duty as well as our submissions on the banning of commissions and our alternative, which speaks to the raising of the professional bar for all financial advisers, inclusive of planners.

This presentation has been made to this committee previously in some other jurisdictions. I'm going to change some of our comments a little bit and add some personal comments.

I mentioned the situation in the UK. I have clients who formerly resided in Ottawa who moved back to Europe.

On one occasion they took it upon themselves to fly home at their own cost to seek my advice because they could not find an adviser where they lived as a result of these reforms that had taken place.

Consumers currently have a choice in compensation, all the way from embedded commissions to a platform of hourly fees. In our own office, we discuss compensation with clients and agree upon the amount of embedded commission that will reflect the amount of work that the client requires, usually somewhere between 50 to 100 basis points of assets under administration. CRM II, the client-relationship model which was rolled out in January of this year, will now allow for transparency of the amount of embedded commission that any investor is being paid. By that, they will be able to understand more fully what it is that they are paying for their advice.

When Advocis believe that any changes in regulation should be truly reflective of what consumers want, so we decided to ask them. In November 2015, Advocis released research that surveyed consumers whose financial advisers were Advocis members. Now, the third-party firm that did this had previously done the same research with non-Advocis members, and the results were identical.

When asked how valuable the financial advice they received is for them, 96% of respondents said that it was “very valuable” or “somewhat valuable,” and 92% said that their adviser is worth the money that they pay. In addition, 93% report that they either completely trust or somewhat trust their adviser and 92% believe that they are better off financially for working with their adviser.

When asked, “Would you prefer the government leave the choice up to you as to whether or not you pay an hourly fee, a percentage of your assets under administration or an embedded commission?” 4% said no, it does not matter; 8% said they had never thought about it; and 88% said yes, they prefer to choose for themselves. It’s clear that the large majority of consumers want choice. In regard to these issues of how they pay for financial advice, consumers are clear: They want choice, whether it’s an hourly fee, a percentage of their assets under administration or an embedded fee.

In 2012, the CIRANO report, an academic study done by professors at the University of Montreal using econometrics, released a study that showed households using financial advisers over a period of 15 years have 2.75 times more assets than households that did not. It’s curious to note that when the OSC called for research on the impact of embedded commissions and rates of return, i.e. the cost, they did not ask for any research on the value of advice, i.e. the benefit. It seems odd to me to measure cost and not the benefit received.

The OSC’s Investor Advisory Panel, in its recommendation to ban embedded commissions, did not, it appears, examine any other models. I would submit that the research that’s being done is perhaps incomplete or somewhat flawed.

Now the economic impact in Ontario: The small business financial advice industry in Ontario produces almost

\$10.8 billion to GDP in direct or indirect contributions and represents more than \$2.5 billion in Ontario government tax revenues. In Canada, the small business advice industry contributes 1.4% of GDP and 1.5% of employment. Those numbers are greater than the contributions of the pharmaceutical, motor vehicle manufacturing and aerospace industries. In fact, in Ontario, if we’re talking about employment, all those three industries combined employ less people than the small business advice industry does in Ontario.

So the evidence is that consumers value advice. They currently have a choice in how they pay for that advice. The foreign experience had negative unintended consequences and was attempting to resolve a problem that does not exist in Ontario or Canada. It was spurred by some scandals that were taking place within the pension part of the banking industry in the UK, and it is a problem that does not and never has existed in Ontario or Canada.

Why then would there be a movement to disrupt the system? Some believe that there are inherent conflicts of interest in the commission model. Advocis believes that where these conflicts may exist, the formation of a designated administrative authority will create a platform to solve the issues of conflict, while improving the regulatory framework without disruption to a significant Ontario industry.

We look forward to continuing to work with the government of Ontario on solutions to these issues. I’m prepared to answer any questions that members of the panel may have. Thank you.

The Chair (Ms. Soo Wong): Thank you very much. I’m going to turn to Ms. Fife to begin this round of questioning.

0840

Ms. Catherine Fife: Thanks very much, Kris, for being here this morning and for sharing your concerns with the direction that the government is going in this regard.

The banning of third-party commissions: Did that come out of the expert committee to consider financial advisory and financial planning policy alternatives that didn’t have an expert on it?

Mr. Kris Birschard: No. First of all, it’s not the government at this point in time; it’s the regulators that are looking at this. I believe that what happened in the international experience that I talked about, in the UK and Australia, caused the regulating community—the Canadian Securities Administrators, led by the Ontario Securities Commission—to do some research on this, to ask for submissions on it and to come forward. Our reading of it is that they seem to be moving in that particular direction.

It’s interesting to note that Howard Wetston, the late chair of the OSC, refused on many occasions, when asked by us, to meet with us, even though the Minister of Finance, Charles Sousa, had suggested that this would be a good idea. Now, the current chair, the new chair, I understand, is going to meet with us. But it seems that they did not want to consult with us on a direct basis.

Ms. Catherine Fife: So even though the finance minister recommended that the regulator meet with Advocis, at that point they had not decided to meet with you?

Mr. Kris Birchard: Our request to meet with the chair, Howard Wetston, was never acceded to, and we never had the opportunity to meet with him.

Ms. Catherine Fife: Okay, that's good to know.

Obviously, the goal of financial advisers is around consumer protection.

Mr. Kris Birchard: Right.

Ms. Catherine Fife: Could you speak to the current economic environment and how important quality financial advice is? We need to get this right.

Mr. Kris Birchard: There's no question about that. Our concern is that in larger communities, in very affluent situations, in those particular situations, people will always be able to afford and pay for advice. But if you're living in a rural area or don't have the wherewithal to pay hourly fees, if there was not any embedded commission opportunities to you, then clearly, Ontarians will not get the value of an accredited financial adviser or planner giving them this kind of advice.

I know that the Ontario government is concerned about the financial stability of Ontarians, given their current mission for the ORPP. So when it's shown that households that have advice have almost three times the amount of assets as households that don't have advice, it's very curious as to why we would be doing things that would, if we look at the other experiences internationally, drive advisers out of the marketplace.

I'd make another brief comment that some of us have done studies in our own firms as to what the cost of compliance is. It's somewhere around \$150 to \$250 per file, which is probably equal to the trailer commissions on a \$70,000-to-\$80,000 invested account. Clearly, most of the middle class will be in a position that can't afford this, because an adviser, if they're paying that much for the cost of compliance and haven't paid their staff or they're under the heat, are in a very precarious position.

Ms. Catherine Fife: Okay. Well, thanks very much for coming in and lending some insight. Thanks, Kris.

Mr. Kris Birchard: You're welcome.

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you very much, sir, for your presentation this morning.

Mr. Kris Birchard: Thank you.

REGISTERED NURSES' ASSOCIATION OF ONTARIO

The Vice-Chair (Mr. Peter Z. Milczyn): Our next witness is the Registered Nurses' Association of Ontario. Good morning.

Ms. Wendy Pearson: Good morning.

The Vice-Chair (Mr. Peter Z. Milczyn): You have 10 minutes for your presentation, followed by five minutes for questions. In your case, the questions will be coming from the government side. For the record, when you begin, could you please state your name.

Ms. Wendy Pearson: Good morning. My name is Wendy Pearson. I am a member of the board of directors of the Registered Nurses' Association of Ontario, RNAO, the professional association representing registered nurses, nurse practitioners, and nursing students. The region that I represent encompasses the Ottawa-Carleton area and is home to thousands of these dedicated professionals.

We thank the Standing Committee on Finance and Economic Affairs for the opportunity to offer guidance as the government engages in its pre-budget consultation.

I want to begin by jogging your memory and taking you back to the early 1990s, when former Premier Mike Harris compared nurses to hula hoops. Thousands of our colleagues were fired or displaced, part-time and casual work became the norm, and thousands, including many new graduates, left to work in the United States. It had a disastrous effect on patient care and in the overall delivery of health care in Ontario. It took a full decade to recover because nurses, especially RNs, lost trust in their employers and in government. To recover, we partnered with the government on initiatives such as targeting funding for RN positions, committing to have 70% of Ontario's RNs employed full-time, creating the nursing graduate guarantee and a strategy to retain our late-career nurses.

I am here to tell you that Ontario can't afford another setback. Although we are not in the disastrous situation of the 1990s, there is again an alarming trend of replacing RNs. Indeed, some health care organizations—both hospitals and home care—are cutting RN positions or replacing RNs with less-qualified providers. Some organizations are also reverting to models of functional nursing, a task-oriented approach that is piecemeal and does not put patients first. In practice, this involves parcelling out a patient's care needs and assigning them to multiple less-qualified providers. None of these providers have the full grasp of the patient's needs, errors increase and patients feel lost without knowing who their nurse is.

These changes are motivated by financial pressures and perceived efforts to save money. The reality is this approach delivers worse care and costs more. The evidence is conclusive: RNs have a direct impact on patients by decreasing mortality and morbidity, improving quality of life, shortening lengths of stay in the hospital and in home care, and reducing adverse events and complications. Simply said, fewer RNs means patient outcomes are worse and health expenses are higher. At a time when the health system is shifting to provide care for only the sickest of the sick in hospitals and when people in the community have more complex health needs, it is simply wrong to replace RNs with less-qualified providers.

You may be wondering what impact this will have on Ontarians. We don't have to look far for research and past experience that paints a compelling picture. RN staffing results in better patient outcomes and decreases hospital length of stay, hospital-related mortality, failure to rescue, cardiac arrest and hospital-acquired pneumonia. So-called team-based models of care increase

costs because more time is spent coordinating, delegating and supervising. It blurs accountability and decreases continuity of care and continuity of caregiver. When RNs provide total patient care, safety increases and so do health and financial outcomes.

The replacement of RNs with less-qualified providers may seem like an attractive approach for health care organizations in a financial pinch. But we must learn from the 1990s and not repeat the same mistakes, because these come at a significant cost to the health system and Ontarians.

That's why the Registered Nurses' Association of Ontario recommends, in the strongest possible terms, that the government of Ontario demonstrate strong leadership by introducing measures in the 2016 provincial budget that will put a stop to the replacement of RNs with less-qualified providers. This leadership must come from Premier Kathleen Wynne and Minister of Health Eric Hoskins by sending a clear directive to Ontario's health care employers to immediately stop replacing RNs. RNAO understands that the government is facing tough financial pressures and health care costs are rising. As a firm supporter of a publicly funded and not-for-profit health system, we urge the government to identify ways to maximize the resources already available.

One way of doing this is by expanding the scope of practice of RNs to include RN prescribing, and we are pleased that the government is moving there. RNAO requests that an enabling framework be built, so that RNs are fully utilized to improve timely access to health services. I will not focus on this, as we made a full submission to the Health Professions Regulatory Advisory Council—HPRAC—which is currently advising the minister on implementation.

I do want to focus on another critical area to achieve cost control and savings: That is by launching a pharmacare program that provides universal access to medically necessary drugs to all Canadians without user fees or co-payments. Public drug spending in Ontario consumes 9% of the health budget, up from 1.2% in 1975. Pharmacare would deliver equitable access to medicines, it would financially protect the sick and it would result in a net saving of money. The savings come from several areas, including reduced administration, streamlining processes and use of purchasing power to reduce drug prices. A 2015 Canadian Medical Association Journal article estimated savings of \$7.3 billion if such a plan was adopted. The savings to all sectors would be so large that the government could finance universal coverage out of its own savings and by taxing back some of the savings enjoyed by employers who no longer have to provide drug insurance payments.

0850

The public is onside. A poll conducted in May 2013 by Ekos found that 78% of Canadian respondents supported a universal public drug plan for all necessary prescription drugs. The support was even stronger in July 2015, when Angus Reid reported that 91% of people polled supported pharmacare in Canada, and 87% sup-

ported adding prescription drugs to the universal health coverage of medicare. One reason for the overwhelming support is the fact that almost one quarter reported that they or someone in their household couldn't afford medicines that they had been prescribed.

Health ministers from across the country have met this week with their federal counterpart. This meeting marks an excellent opportunity to propel pharmacare forward. We have been pleased with Minister Hoskins's support of a national pharmacare program, and the window to move is open. The federal government is looking at implementing some kind of public drug program, and we urge the Ontario government to press for a universal program that covers all medically necessary medications, without user fees or co-payments. That would deliver the full benefits of pharmacare.

In closing, RNAO extends its gratitude to the standing committee, and I am happy to answer any questions that you may have.

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you very much. Ms. Wong has questions for you.

Ms. Soo Wong: Thank you very much, Ms. Pearson, for your presentation. I'm going to declare my conflict of interest: I am a registered nurse.

I understand that the RNAO's CEO, Doris Grinspun, recently presented to Minister Hoskins and Minister Sousa with regard to a similar ask at the minister's pre-budget consultations, so I'm rehearsing it. We also heard from your colleagues in Hamilton, as well as in Windsor, about similar asks.

I have a couple of quick questions for you. What I'm hearing is that you're saying that the province needs to be more prescriptive, more defining in terms of funding the nursing envelope in the hospital sector, because most of the cuts right now, as you're experiencing, are in hospital care. We know there is evidence to prove that RNs will save more lives, making sure patients are safe. So you're asking the government of Ontario, when we fund the funding envelopes for hospitals versus long-term care and the others—that there will be dedicated RNs as opposed to the unregulated or less regulated health professionals. Am I hearing that?

Ms. Wendy Pearson: Yes.

Ms. Soo Wong: Okay, because I know that we have done that for long-term care, as you know. The funding envelope for long-term care is very prescriptive that if that nursing envelope is not spent, those dollars get returned back to the province. We also, in our regulations, require X number of RNs per shift—

Ms. Wendy Pearson: I work in long-term care, so I'm well aware, for sure—

Ms. Soo Wong: Yes, that's what I'm hearing—

Ms. Wendy Pearson: —and appreciate what the government has done.

Ms. Soo Wong: Okay. I'm hearing that you want a similar type of requirement when we do the funding for the hospital sector, so that there will be dedicated RN funding.

Ms. Wendy Pearson: Yes.

Ms. Soo Wong: Okay. We also heard from your colleague—I was just going through some of my files last night—dealing with the NPs, nurse practitioners. There was a written statement from your colleague that came in from Hamilton about nurse practitioner salaries, because we was representing the RNAO. There has been concern expressed about the salaries of physicians as well as the salaries of NPs.

Your colleague put this presentation to us in writing, so I just wanted to get some clarification and to be on record. I'm just going to read, and I want to hear your opinion about this, because in your submission it's a little bit different about protecting the RN position in hospitals.

What he wrote to the committee is the fact that NP compensation has been frozen. Meanwhile, according to the Canadian Institute for Health Information, physicians' gross salaries in Ontario have actually gone up. In fact, between 2003 and 2013, physicians' wages jumped 61%.

I just want to hear from you: Does RNAO have a written position about compensation for nurse practitioners? Because very clearly, this was on the RNAO letterhead. I just want to hear your views. Has the RNAO, as an association, put a similar position to the minister?

Ms. Wendy Pearson: I know it's been discussed with regards to NP salaries not being competitive enough. Nurses who are looking to go into the NP role, certainly with the extended education and the extended responsibility, are not compensated adequately, is what I'm hearing from RNAO, although I don't know if we have a position statement on it.

Ms. Soo Wong: Okay. The last question I have for you, Ms. Pearson, is regarding the government's position in terms of the transformation of health care, the shift of the dollars going to the community, to reach the patient closer to their homes. What is the RNAO position about this kind of investment? I believe we have increased it to 5% for home and community care. What is the RNAO position about making sure the shift of the dollar also goes to the community?

Ms. Wendy Pearson: Well, of course, the Ontarians who are being taken care of in the community, and there are far more of them now, need the RN role to ensure that their care is adequate.

As far as funding going to the community and home care, yes, we're seeing that shift. We're seeing the shift from hospitals to the home care sector. Unfortunately, sometimes, because there are still a vast number of Ontarians in hospital and they are sicker, we are seeing the hospital sector being left behind to a certain degree. That was the concern with RN replacement.

Ms. Soo Wong: Okay. I want to say thank you very much for your presentation. I also want to acknowledge all the great nurses, my colleagues across the province, in making Ontarians healthy and safe in our community. Thank you for all the good work.

Ms. Wendy Pearson: Thank you.

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you very much for your presentation.

CHAMPLAIN REGION FAMILY COUNCIL NETWORK

The Vice-Chair (Mr. Peter Z. Milczyn): Our next witness is the Champlain Region Family Council Network. Good morning.

Ms. Grace Welch: Good morning.

The Vice-Chair (Mr. Peter Z. Milczyn): You have 10 minutes to present, following which there will be five minutes for questions, in your case from the official opposition. As you start your deputation, if you could please state your name for the record.

Ms. Grace Welch: I'm Grace Welch, and I am chair of the advocacy committee of the Champlain Region Family Council Network. I'd like to thank you on behalf of our committee for this opportunity to speak to you today about issues critical to long-term care in the region and in the province. Our network of volunteers represents the family members and friends of residents in 60 long-term-care homes in the Champlain region. The Champlain region is one of the largest of the LHINs in Ontario, stretching from Renfrew to Cornwall, and it of course includes Ottawa.

Family councils have been established under the Long-Term Care Homes Act to allow family and friends to advocate on behalf of their loved ones in long-term care. Basically, our *raison d'être* is to ensure their loved ones have quality care in a safe environment where they are treated with dignity and compassion.

Our comments and recommendations are based on first-hand observation experience in long-term-care homes, supplemented by reviews of research reports and studies of care for seniors. The presentation that we've given to you is also reviewed by our network of family councils, so we've had their feedback.

Our first priority is quality care. I think for any of you who would have a loved one in long-term care, this would be your first priority, as well. For quality care, there need to be more front-line staff.

The nature of long-term care has changed considerably in the last decade. Long-term-care homes have in some respects become acute care hospitals, in terms of the degree of illness that they're now caring for. The elderly are entering long-term care when they are older, frailer and have multiple medical conditions. Statistics on residents' conditions in long-term care in our submission illustrate the growing complexity of care.

One of the most significant challenges is the number of residents with Alzheimer's, estimated at between 60% and 70% of all residents in long-term care now in Ontario.

Most residents need help with all aspects of daily living: dressing, feeding and even toileting. At the same time, many long-term-care homes are now providing services once confined to hospitals, such as peritoneal dialysis and IV therapy.

Coupled with the increase in resident care requirements, reporting requirements set by the province have become more complex and demanding. Less than half the average workday of a personal support worker, or

registered nurses, is spent on direct care for residents. While monitoring and accountability are important, these activities should not be accomplished at the expense of residents' care.

0900

It is said that Ontario has the most highly regulated long-term-care sector in Canada, while being among one of the lowest funded. Despite the significant increase in care needs, staffing levels in Ontario long-term-care homes have remained almost static. In 2008, the government endorsed the provincially funded report by Shirlee Sharkey, which recommended a provincial average of four hours of care per resident per day to be reached by 2012. When I say "average," it means that some residents might get six hours and some residents might get four but, on average, they'd all get four.

Recent figures from the ministry show that residents receive only 3.4 hours of care per day, well below the recommended standard, which should have been achieved four years ago. We have a significant gap. This standard of four hours of direct care is recommended by a number of research reports in the United States and Canada, as well as by most stakeholders in long-term care, such as the Registered Nurses' Association, Concerned Friends of Ontario Citizens in Care Facilities, the Ontario Council of Hospital Unions and the Ontario Health Coalition.

Lower staffing levels are associated with higher levels of aggression, more falls, more pressure ulcers, increased incontinence and use of restraints. Staff in long-term care are at their limit. In a 2014 focus group by the Ontario Council of Hospital Unions, 91% of the participants said they're not able to provide good-quality care, citing lack of staff and heavy workloads.

Those of us who regularly visit long-term care see the impact of this insufficient staffing: requests for toileting ignored; food shovelled into residents' mouths while the overworked care worker tries to feed multiple residents; staff so harried that they do not have time for social interaction with the residents in their care; and an increase in the number of critical incidents. I visited a long-term care nearly daily for six years and I can attest to these statements, and I still visit weekly to help with lunch.

We are convinced the only way to ensure that the government funding goes directly to personal care for long-term-care residents is through a legislated minimum standard that meets or exceeds that recommended in current research. We legislated care requirements for day care; why not for this other vulnerable population? The care standard that we're recommending has to be constantly reviewed and assessed against care requirements.

We also recommend that the ministry work with stakeholders to identify ways to reduce the burden of reporting, so that more front-line resources can be committed to personal care.

Lastly, our first priority for better care doesn't just involve more staff. There is increasing recognition that food plays a critical role in the physical and emotional

well-being of LTC residents and the food budget has not kept up with inflation. It's \$8.03 a day per resident to provide three meals and snacks. This amount includes specialized meals for cultural and medical reasons, nutritional supplements and nutrition delivered via feeding tubes. We support the recommendation by the Ontario Association of Non-Profit Homes and Services for Seniors that the raw food allocation be increased immediately by 62 cents and that the food allocation be linked to the consumer price index.

Our second priority, just as important as the first, is ending violence in long-term care. We've seen a significant increase in aggressive behaviours in long-term care across the province. Did you know that the Ontario coroner's office reported that there were 25 homicides in the province's long-term-care facilities between 2001 and 2011? In just two years—between 2013 and 2014—there were 13 resident-on-resident homicides. Roger Skinner, the supervising coroner, in the 2015 coroner's report indicated that these deaths are just the tip of the iceberg.

When does it stop and what must we do? Much of this aggression results from the significant percentage of residents who suffer from dementia. Estimates indicate that 46% of all long-term-care residents exhibit some level of aggressive behaviour, with nearly 10% exhibiting severe levels of aggression. Dementia is the primary cause of this aggressive behaviour, but also, we have seen other factors that contribute to increased aggression. The closure of mental health centres across Ontario, combined with the lack of group homes, has meant that long-term-care homes have to accept an increasing number of individuals, from the age of 18, with developmental disabilities, brain injuries, mental health issues and drug and alcohol abuse problems, so it's becoming a dangerous mix.

We are somewhat encouraged, because I know our LHIN is doing some work to keep younger people out of long-term care, and I hope that other LHINs across the province will follow this trend.

But we are very concerned about our loved ones. We're also concerned about the staff in long-term care. A study that's a bit older now found that Canadian personal support workers are more than seven times more likely to experience violence on the job, compared with their counterparts in Nordic countries. The study attributes the violence to staff having to do too much in too little time, with not enough resources.

We're asking that the number of behaviour support units be increasing. Currently, there are only six in the province. We'd like it to go up to 18. These transitional units would allow more homes to transfer their residents with extremely aggressive behaviours for evaluation and therapy.

Coupled with this, we need to expand capability within each home. They should have a behaviour support team. Right now, they sometimes have to wait days or even weeks for help from the mobile units that are in place.

Also importantly, specialized training on dealing with responsive behaviour should be given to all front-line

long-term-care staff and incorporated into the curriculum for diploma programs, so that new support workers are trained in handling these types of behaviours.

Lastly, as recommended by the Long-Term Care Task Force on Resident Care and Safety, there needs to be a better process for the evaluation, appropriate placement and transfer of residents with specialized needs.

Our third priority is better capacity planning for long-term care. There are still 20,000 Ontario residents—are you telling me I'm running out of time?

The Chair (Ms. Soo Wong): Yes. Can you just wrap up, so I can turn it to the opposition party?

Ms. Grace Welch: Okay. We've got 20,000 people on the wait-list. People are waiting years for a bed. We're asking that we expedite the long-term-care planning in the province. We have to recognize that there is going to be a need for long-term-care beds, regardless, and that long-term care has to be viewed as a critical component of our health care system.

The Chair (Ms. Soo Wong): Thank you very much, Ms. Welch. I'm going to turn to Ms. MacLeod to begin this round of questioning.

Ms. Lisa MacLeod: Thank you very much, Chair, and happy new year. It's the first time we've seen one another.

Ms. Welch, that was a very pragmatic and important deputation that you just gave here today. There are very few people speaking up for those in long-term care, and very few who speak up for their families, so I want to thank you, as a local member of provincial Parliament, for your presentation here today.

I appreciated your conversation with us on improving care, ending violence and building capacity. It's building capacity that I think I'd like to have a conversation about with you.

I'm not sure if you know the type of riding that I represent, inside the city of Ottawa.

Ms. Grace Welch: I live there.

Ms. Lisa MacLeod: Excellent. Which part do you live in?

Ms. Grace Welch: I was in Stonebridge for 10 years.

Ms. Lisa MacLeod: Which is great, because you're part urban, part rural there.

Ms. Grace Welch: That's right.

Ms. Lisa MacLeod: One of the concerns I have, having the most populous but also the largest geographic riding inside the city, is that I have a vast rural area. What has concerned me is that the Osgoode Care Centre, for example, is the city's only rural long-term-care facility. It's going to need to be upgraded over the next couple of years, which will be a \$20-million price tag for that small village.

What will happen, if the community cannot raise that money—because there won't be any money coming from the province for that—is that those 100 beds will close, and it means that when those 100 beds close, people will be looking for even more bed space inside the city.

We already know we have some bed-blocking happening in our hospitals. That was very well known. It has happened at the Queensway Carleton Hospital, for

example, because there hasn't been the appropriate level of care in LTC. That has sparked some synergies with some of the various seniors' residences.

0910

I guess the question that I have for you is, when we look at upgrading the various bed spaces across the province, and in particular here in our city—understanding that we already have a backlog—and if there isn't sufficient funding for upgrading the beds, where do you see, in the next five or 10 years, the situation inside the city of Ottawa, in terms of capacity?

Ms. Grace Welch: Well, I think it's already very critical now. I looked at the long-term-care wait-lists for some of the more popular homes, and there are between 500 and 600. There are several homes in Ottawa that already have over 600 names on the list, so we've already got a crisis situation.

Now, in terms of upgrading, the ministry did announce last year a program to upgrade over 30,000 beds, and I would think that a home like Osgoode would have access to that funding. I know I've had a certain level of frustration in that it seems to be going very, very slowly. I don't know, in this region, if any homes have been identified, although I know that there is work that is going on. What we're concerned about—I mean, I was out for dinner last night with four friends, and we're all worried about having access to long-term-care homes for our loved ones, and that they'll be there.

I think that in the rural ones it's going to be quite challenging, because some of the smaller homes may not have the resources. I think somehow the province, in doing their capacity planning, has to recognize that these rural homes need to continue and maybe have extra supports.

Ms. Lisa MacLeod: I really appreciate it. It's about a \$20-million commitment that their community is going to have to come up with. Whether there are some resources from the province or not, it's still quite hefty.

One of the things I did appreciate from your presentation was that you talked about other models of senior accommodations in Ontario communities. I think that's important, because we have had a drive in the last decade toward more seniors living on their own and encouraging seniors staying at home. That program is fine. It's just that I don't think we have to put all of our eggs in one basket. That concerns me, and it's one of the things, representing a high-growth area, that we've seen. Not every situation is suitable for that. But where it is, we have to build the capacity for care in the home, and where it is not, we have to have, I think, a sustainable system and invest appropriately with those long-term-care homes.

When you talked about investigating—

The Chair (Ms. Soo Wong): Okay, Ms. MacLeod. I'm going to stop you here.

Ms. Lisa MacLeod: We'll carry this on afterward. Thank you very much.

The Chair (Ms. Soo Wong): I'm very mindful of the time today. We have a full house.

Thank you very much for your presentation, as well as your written submission.

Ms. Grace Welch: Thank you very much. I very much appreciate the opportunity.

The Chair (Ms. Soo Wong): Have a great day.

NATIONAL COALITION AGAINST CONTRABAND TOBACCO

The Chair (Ms. Soo Wong): The next group before us is the National Coalition Against Contraband Tobacco: Mr. Gary Grant. Welcome, Mr. Grant. We see you regularly, or I should say annually.

The Clerk is coming around with your written submission. As you know, the routine is that you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questions will be coming from the official third party. You may begin any time, and please introduce yourself when you begin for the purposes of Hansard. Thank you.

Mr. Gary Grant: Thank you. It is nice to see everyone again. I am Gary Grant. I'm the spokesperson for the National Coalition Against Contraband Tobacco, or NCACT. I'm a 39-year veteran, retired, of the Toronto Police Service, and I'm the chair of Toronto Crime Stoppers.

NCACT is concerned about the danger of contraband tobacco. Our 18 members share the goals of working together to educate people and urging government to take quick action to stop this growing threat. More information about the coalition can be found on our website, stopcontrabandtobacco.ca.

I'm pleased to be here today to discuss Ontario's contraband tobacco problem and what the province can do to stop it. As you may know, Ontario has the worst contraband tobacco problem in Canada. In fact, an average of one in three cigarettes purchased in 2015 was illegal. That spiked to almost 40% of cigarettes in September.

Ontario's illegal cigarette problem is beginning to spread beyond its borders. Contraband cigarettes produced in Ontario have begun to be smuggled to other provinces, such as Manitoba. This spread extends even beyond Canada's borders, as revealed by recent reports in Mexico and Costa Rica. In fact, 12% of lost tobacco tax revenues in Mexico are because of illegal cigarettes produced in Ontario. Copies of these articles have been provided.

So, what is contraband tobacco? It's unregulated, but it's extremely cheap. A baggie of 200 cigarettes often costs less than a movie ticket, or one tenth of the price of the legal product. It is sold through a criminal distribution network that connects cigarettes to kids, without the hassles of checking for ID. This dangerous combination of low price and easy accessibility has made illegal cigarettes a prime source for youth smoking.

In fact, a study by the Centre for Addiction and Mental Health flagged the easy accessibility of contraband tobacco and its low price as being especially attractive to youth. They found that almost 40% of youth smokers reported using contraband tobacco in the last year.

The fact is illegal cigarettes fund some of Canada's least desirable elements. The RCMP estimates that contraband tobacco is the cash cow of more than 175 criminal gangs, who use the proceeds to finance their other activities, such as guns, drugs, even human trafficking and smuggling.

Ontario is an epicentre of illegal cigarette manufacturing. Cornwall Island, a short drive from Ottawa, is at the heart of illicit cigarette production in Canada, with the RCMP identifying dozens of illegal cigarette factories operating on both sides of the border, and there are more located just southwest of Toronto.

A single factory can produce as many as 10,000 cigarettes a minute. That means millions and millions of cigarettes are produced in this province each year. The profits from these illegal sales end up in the hands of criminals. In fact, the RCMP have identified about \$100 million in suspicious financial transactions over a six-year period from a contraband production hot spot in Quebec. That's a lot of money from what is currently a very low-risk enterprise, which gangs use, as I said, to fund their other illegal activities, including guns and drugs.

Criminals involved in the trade work to protect their operations and terrorize nearby communities. The RCMP has had to repeatedly warn snowmobilers in the Cornwall area to watch out for booby-traps set by the criminals that smuggle cigarettes in the area. There have been numerous other cases of direct intimidation of law-abiding citizens in the area by the criminals that smuggle cigarettes across the St. Lawrence River and then to private property.

Preventing youth smoking and cutting off funding to organized crime are reasons enough for the government to take action against contraband tobacco, but there are also important effects to the public purse. In fact, the Drummond report highlighted contraband tobacco as one of the areas that Ontario should address when battling the deficit.

In 2013, the Canadian Taxpayers Federation, a coalition member, released a report estimating that the overall contraband tobacco trade in Ontario cost an estimated \$689 million to \$1.1 billion in lost tax revenue in 2011 to both the federal and provincial governments. This adds up to an astounding estimated \$3.4 billion to \$5.5 billion over the last five years. That's a lot of money, particularly in an era of fiscal restraint and budget tightening.

Every illegal cigarette sold in Ontario represents a loss to the provincial treasury, which is trouble enough. But as you can see, the social harm is much deeper. Contraband brings with it troubling consequences that demand action.

So what should Ontario do? Well, we're pleased to see that the government has begun to take action against contraband tobacco, beginning with commitments in the last provincial budget and continuing in the fall economic statement. Some of these have already been implemented, including allowing law enforcement to stop and search a vehicle if there is reasonable and probable grounds to believe that it's being used to smuggle raw

leaf tobacco. In the fall, new regulations were also proposed that further bolstered raw leaf tobacco regulations.

These are in addition to the passage of Bill 186 during the last Legislature, which introduced fines for possession of contraband tobacco, and the enactment of the federal Bill C-10, which creates a Criminal Code offence for trafficking for the purpose of contraband, and mandatory penalties for repeat offenders. In this latter case, we have already seen reports of police taking advantage of the new legislation.

Despite these steps forward, there is still much to do. We believe that there are still a number of straight-forward and common-sense actions that government can take in the budget that will have a real effect.

First, new legislative tools for police, like Bill C-10 and Bill 186, would benefit from increased awareness among law enforcement officials and the public. Ontario would do well to increase public awareness and enforcement of these fines in areas where contraband sales and use are most prevalent.

We also believe that there is confusion among members of the public about what is illegal and what is not, especially as it relates to tobacco tax stamps. The government should create an awareness campaign that helps consumers differentiate between legal and illegal products, including how to identify which stamps have all taxes paid and are not subject to fines for possession.

Second, the fall economic statement continued the government's commitment to establish a dedicated OPP contraband tobacco enforcement team. We encourage Ontario to look to Quebec as a model for that successful implementation of such a resource.

In Quebec, provincial programs were supplemented by allowing municipal police forces to investigate and prosecute contraband tobacco offences, even allowing municipalities to keep the proceeds. They were supplemented with dedicated funding through the ACCES Tabac program. That means that police forces have the resources they need to pursue investigations. The government of Quebec has consistently recouped their return on their investment through this program many times over.

Third, Ontario must also do more to curb the supply of illegal cigarettes at the manufacturing level. Illegal factories in Ontario can produce millions of cigarettes in a day. A key element of reducing this is making manufacturing materials harder to get. The government's efforts to regulate raw leaf tobacco are obviously a step towards this. It's important that the government continue to monitor and evaluate their effectiveness, revising as needed.

0920

However, illegal manufacturers have not been limited to Ontario-grown tobacco, smuggling tobacco illegal cigarettes in from the United States or overseas. Indeed, the Cornwall Regional Task Force regularly intercepts enough tobacco to make millions of cigarettes. The 2015 budget recognized this with a commitment to explore the regulation of other cigarette manufacturing materials, including cigarette filter materials like acetate tow.

We would recommend that the province move forward with such regulations as quickly as possible. Acetate tow is manufactured by only a few companies globally and cannot be easily replaced by another substance. Government regulation of filters and acetate tow in the same manner as Ontario is pursuing for loose leaf tobacco would go a long way to curbing the manufacture of illegal cigarettes. If the government is serious about reducing illegal cigarette production, this is an important step.

Finally, all governments must work together on this issue. We would encourage Ontario to ask the federal government to make contraband tobacco a priority in their tobacco control efforts. On matters such as awareness of what illegal products look like, regulation of tobacco manufacturing materials and cross-jurisdictional enforcement, there is a clear role for the federal government to play. Ontario cannot and should not face this problem alone.

In conclusion, illegal cigarettes are a scourge on our communities. They fund organized crime. They facilitate youth smoking. They shortchange taxpayers a phenomenal amount of money. There are clear and straightforward steps that Ontario can take to address this problem, steps which will hurt organized crime, make our communities safer and help the budget's bottom line. The only losers in this equation are the criminals involved in the trade.

Thanks for your time. I'd be happy to answer your questions.

The Chair (Ms. Soo Wong): Thank you very much, Mr. Grant. I'm going to turn to Ms. Fife to begin this round of questioning.

Ms. Catherine Fife: Thank you for being here. This is my third tour with the finance committee and you have consistently come forward with some productive recommendations to the government on contraband tobacco.

Mr. Gary Grant: Thank you.

Ms. Catherine Fife: It must feel a little bit like Groundhog Day for you on occasion when you come here, although you made some points today about the last provincial budget as it relates to raw leaf tobacco. Thank you for raising the concerns that raw leaf tobacco doesn't just come from Ontario; it comes from other jurisdictions.

Your comments around lost revenue through contraband tobacco to the Treasury Board are interesting to me. These are long-standing issues that you have raised with both the Minister of Finance and with the President of the Treasury Board.

Do you think the government fully understands the loss or the negative financial impact in not fully embracing contraband tobacco with some solutions? We just found out yesterday that this government failed to collect \$48 million in fines through the Ministry of Transportation from those private companies that failed to maintain our roads. They just didn't collect the fines that they themselves issued to these companies.

On revenue streams, do you want to comment on that, please?

Mr. Gary Grant: Well, I would suspect that the government is fully aware that they're not collecting the money. If it was my bank account, I would certainly know if I was short a lot of money that I should have, and I would be taking every step I could to try and recoup that money.

It is like Groundhog Day, but every year there's an incremental increase and improvement. This year I actually spoke to Minister Sousa. He spoke at the economic update saying that this government is going to make the underground economy, the black market, a priority, especially contraband cigarettes. So I think they do recognize it.

I will say that if I had known about this deficit and how I could recoup this deficit for so long, I would be more interested in taking a look at best practices of how to recoup it, like they have in Quebec. In 2009, their contraband problem was the same as Ontario's, with the same type of losses, and because of Bill 59 and the implementations they've made to that, they've cut their contraband rate by 50%, which has enhanced their treasury.

Ms. Catherine Fife: I think that this government doesn't fully understand the negative impact that it has on the health care system as well. You raised the issue of targeting youth around contraband tobacco, and—this is our fifth day—we have heard health care concerns at every single stop that would break your heart. That's because hospital budgets have been frozen now moving into the fifth year. This government not only has a waste-and-scandal issue, they have a revenue problem and you've identified a way to address some of that.

Thank you for coming in today. I appreciate your consistency.

Mr. Gary Grant: I just would say one thing: When you mention youth, MPP Fife, it is very important to me to address youth. I'm outraged at the problem because of the youth. They have access to cigarettes sold to them by criminals, which starts a whole new generation of smokers, plus they're learning that it's okay to break the laws. If it's okay to break the law in the black market for cigarettes, all the way down the road, that's how they're going to grow up.

Ms. Catherine Fife: That's right.

Mr. Gary Grant: I think that really needs to be addressed.

Ms. Catherine Fife: Yes. It's a multi-faceted issue. Thank you for bringing that to our attention.

Mr. Gary Grant: You're welcome.

The Chair (Ms. Soo Wong): Thank you very much, Mr. Grant, and thank you for your written submission.

OTTAWA CHAMBER
OF COMMERCE ENVIRONMENT
AND SUSTAINABILITY COMMITTEE

The Chair (Ms. Soo Wong): The next group before us is the Ottawa Chamber of Commerce Environment

and Sustainability Committee: Mr. Don Anderson. Welcome, Mr. Anderson.

As you've probably heard, you have 10 minutes for your presentation, followed by five minutes of questioning, and this round of questioning will be coming from the government side. You can begin any time. When you begin, please identify yourself for the purposes of Hansard.

Mr. Don Anderson: Thank you for the opportunity to share with you the environmental issues that I'm going to bring forth from the chamber of commerce.

Just a short history: Chambers of commerce are not typically concerned with environmental issues. We created this committee five years ago, and we created it with partners here in the city of Ottawa who are recognized leaders in this. It was our desire to have a committee that could provide advocacy on behalf of the chamber, and then therefore have the chamber support and provide some leadership in the city of Ottawa pertaining to environmental sustainability.

As I said, we have been in business for five years, and we've managed to bring some legislation through the Ontario government, as well as to influence even the Canadian government with some policy. This is, again, because of the expertise that we have brought to bear.

We are currently working in an alliance with the leading environmental businesses in Ottawa, and we're trying to lobby and influence the city of Ottawa to do more with its environmental program, specifically in the downtown core.

The reason that this is important is that since 2003, the city of Ottawa has created a committee. They do have a plan, and it's due for an update in 2016. However, two things: They have not put it into a priority mode, and they have not resourced it. Therefore, we haven't made the kind of progress that the capital of the nation needs to have in terms of demonstrating some leadership and in quality of life for sustainable living.

The city of Ottawa is approximately 500 hectares or 1,235 acres in size. I mention this because it is twice the size of Houston, which has three million people, and is the largest city by land mass in North America. We have significant challenges with a city like that, so it's in acknowledgement of that that I say we're focused on the downtown core. We have a rural area, and we have major cities in themselves with Barrhaven, Kanata and others, and we are working with those chambers. But the city has this challenge, and it needs to provide leadership.

Our analysis of this is that leadership has consisted of doing water, trees and bicycle lanes, which is a good start, particularly because it doesn't cost any money to emphasize that. The province also has made those its priorities, and I'm suggesting that the province needs to step up its ability to support and provide guidance to environmental standards that will reduce the waste that we have in our systems and increase the health of our population. It will actually generate more money by being a sustainable city.

I bring this to your attention because we are behind in implementing this, and we need more support and,

actually, guidance in our consideration from the province to ensure that we are aligned.

0930

The province is spending money, but I don't think the province has elevated this to the level of importance that will ensure that the communities in Ontario—and specifically Ottawa, which is more than a community in Ontario; again, being the nation's capital, it's expected that we provide leadership. One only has to look at other capitals, like Washington, D.C. and the capitals of the states in the US, who have demonstrated both the economic and social benefits, as well as the health benefits, of improving our environment.

That said, I am not going to waste a lot of your time preaching about this. I want you to know that this chamber has been in business for five years. We've gotten some legislation passed. We're looking for the government of Ontario to be more proactive. I'm specifically pointing out that there's a great opportunity for you to work with some subject matter experts in Ottawa so that the province of Ontario is gaining and providing the leadership that they're already participating in, in terms of environmental sustainability.

I was inspired to come here, as I had read this from the Honourable Glen Murray, who is your Minister of the Environment: "The cost of doing nothing to fight climate change far outweighs the cost of solving the problem. Ontario is prepared to change and move forward because our future depends on the choices we make today.

"We have the ideas, the determination and the energy to lead the global drive to reduce emissions, and to make the transformational changes that must be made if we are to prevent a 2- to 4-degree-Celsius rise in average global temperatures and ensure a better future for our children and our grandchildren.

"We must do it. We can do it. And we will do it, together."

That's an inspirational message. We're getting it, but I think that message needs to be more actively communicated. There are agencies, like the environment committee, where we could step up together and put a better plan in place.

The city of Ottawa has a plan. It's about to renew that plan. The plan is not bad, but it's not funded and it's not prioritized. We would need the province's help to ensure that the priorities in the cities, and particularly in Ottawa, are elevated and funded.

Thank you.

The Chair (Ms. Soo Wong): Thank you very much, Mr. Anderson, for your presentation. I'm going to Ms. Lalonde to begin this round of questioning.

Mrs. Marie-France Lalonde: Thank you very much for being here. Happy new year.

As an MPP for Ottawa–Orléans, but also living in Orléans and here in Ottawa for a long time, it's refreshing to know that the Ottawa Chamber of Commerce has actually decided to make a committee part of the environment process. Like you said, sometimes businesses don't always focus on the environmental factor.

It's very nice to meet you. Actually, I don't think we've ever officially met.

For me, I know I look at the city of Ottawa, and certainly our province, as moving things forward in terms of advancing public transit, like the LRT, phase 2, with phase 1 being under construction right now.

I also know from a colleague of mine, Eleanor McMahon, who is a strong advocate for cycling, that Ottawa has made a lot of effort, and our province also. I was asking and consulting with my colleagues, in terms of numbers, but I think it's over \$25 million that we have put in our budget to promote more cycling and opportunities with municipalities.

I'm not sure exactly how the city has responded to that, so I don't know if you're familiar with that investment.

Mr. Don Anderson: I am familiar. The city has responded by putting its own funds out there. It has created, as I pointed out—especially in the downtown core, where we're at today—Laurier and other avenues, where dedicated bike lanes are being put in. There are plans in the future to increase that infrastructure.

Mrs. Marie-France Lalonde: When you mentioned that the 2016 city proposal is under review, have you had consultation with the city to see how they're going to move forward in maintaining those opportunities for cyclists?

Mr. Don Anderson: We have on our committee a number of individuals who are in regular communication with the city at various agencies, including Councillor Chernushenko's environment committee. We are all good friends. We're pursuing the same cause. However, again, there are 23 councillors in the city of Ottawa. I believe about 13 of those are rural councillors. We only have about five who are dedicated to the downtown core. Again, it's one of those issues where we all get lumped together and it's not prioritized. What we are trying to help the city do—and the agencies in the city, like EnviroCentre, are all aligned with us.

We have presented a letter to the city; we have met with the city. They know that we want to encourage them to do more, but that's why I would come here: to ask the province that if it's important to the province—because you have been investing in not only Ottawa but other cities—to provide a little bit more proactive target setting.

It's not actually even a question of money. It's about setting these priorities and moving it beyond bike lanes, trees, and water. Those are all important but I think everybody is addressing those.

What we're not addressing is urban congestion. Here in the city of Ottawa we have a \$3-billion program to do the light rail, and there is no plan in there that measures the ecological benefits of doing that.

We could sit here and have the city say, "We can't do anything because building codes are a provincial issue," but we have a downtown core which we're going to grow by 20,000 to 30,000 people over the next five years after the completion of this, and we're not going to change our

codes to make sure that the built environment is performing with a better environmental footprint than it currently has.

Those are the kinds of issues that we're trying to bring attention to. We want to work with using our subject-matter experts with the city and anything we can do to the province to accelerate this and prioritize it higher.

The Chair (Ms. Soo Wong): Mr. Anderson, I'm going to stop you here. Before you go, just to remind you that you have until February 2 at 5 p.m. to do your written submission to the Clerk about your presentation today.

Mr. Don Anderson: Thank you, and thank you for the opportunity to be here.

The Chair (Ms. Soo Wong): Thank you very much for being here, and thank you for your presentation.

CHEMISTRY INDUSTRY ASSOCIATION OF CANADA

The Chair (Ms. Soo Wong): The next group before us is the Chemistry Industry Association of Canada: Mr. Bob Masterson. Welcome, and good morning.

Ms. Lisa MacLeod: Be hard on him.

The Chair (Ms. Soo Wong): Oh, it's your turn. Anyway, good morning.

Mr. Bob Masterson: Good morning.

The Chair (Ms. Soo Wong): As you probably heard, you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning is coming from the official opposition party. You may begin any time. When you begin, please identify yourself for the purposes of Hansard. Thank you.

Mr. Bob Masterson: Very good. Thank you. It's Bob Masterson, president and CEO of the Chemistry Industry Association of Canada. Madam Chair and committee members, it's a pleasure to be here today with you and to provide input to the pre-budget consultations on behalf of Ontario's chemistry industry.

The Chemistry Industry Association of Canada has made a formal submission for the pre-budget process; however, this morning I want to speak to you from the heart about something I care very deeply about, and that's improving the competitive position of Ontario's manufacturing sector. Fiscal discipline is important, sound stewardship of public finances is important, but only economic growth will deliver the jobs and prosperity that Ontarians need and deserve.

I have three key messages to share with you today. I will be brief.

My first message for the committee is that, to be sure, the low Canadian dollar is not a panacea for what ails the manufacturing sector in Ontario. The impacts of the lower dollar are very complex. They vary company by company and facility by facility. Many Ontario enterprises receive raw materials and key machinery from offshore. As those input costs have risen by more than 40%, the competitive position of Ontario's operations has eroded significantly.

Many companies have very sophisticated currency-hedging programs in place specifically to guard against the volatility and vagaries of violent currency swings. Those companies are not fully benefiting from a low dollar.

Finally, those Ontario operations that report to global and US headquarters often must achieve sales and profit objectives priced in US dollars. If significant portions of the sales are made within Canada, those objectives are impossible to achieve. What often happens is, companies make decisions to dispatch US-based operations instead of those in Ontario.

It doesn't suggest that some companies won't benefit and are not benefiting from a lower dollar; it just says that it's very complex. More importantly, what it says is that this temporarily low, unpredictable currency exchange does not and will not factor into investment decisions to locate major plants and machinery in Ontario.

0940

The second message I wish to leave with you is that our collective attention must be focused on improving the investment environment in Ontario. My biggest concern is that, as a society, we now understand and appreciate the need for Ontario industry to compete for market share globally. But we fail completely to understand the need for Ontario to compete globally for its share of investment.

As Ontarians, we're comfortable with best efforts, personal bests, silver and bronze medals. Here in Ottawa, we were extremely proud when the Red Blacks competed in the Grey Cup. But make no mistake: When it comes to investment, there's no second prize. Ontario either wins the investment or it gets nothing.

Ontario has done many things well to try to attract further investment. The lowering of corporate tax rates and introduction of the HST: These were important. But for every step forward we've seen one step back at least, and this impacts our ability to attract investment.

For the chemistry sector: It is currently the fastest-growing manufacturing sector in North America. There are currently more than 140 new projects being tracked and announced, totalling over \$160 billion in US dollars. Since 2010, in Ontario, we have attracted over \$1 billion of those new investments: \$500 million for NOVA in Corunna, Ontario; \$250 million by Jungbunzlauer in Port Colborne; \$200 million by Cytec in Niagara Falls; and \$185 million by BioAmber in Sarnia. Those are good numbers. In aggregate, though, what we should have expected, based on historical patterns, is at least \$5 billion of investment in Ontario by now. We haven't seen it.

We can't rely on a low dollar. It's not going to help. But if we're intentional and diligent at this time, we've got a bit of time and a bit of space to correct our course and position the important manufacturing sector for success in the future.

Finally, my third message for the committee is this: In addition to electricity prices, one of the biggest barriers to new investment in Ontario is the complex, costly and grossly inefficient regulatory system we all operate

under. We can't point fingers here; it's a situation that has built up over many, many years, and we all have responsibility for the situation we're in.

I'll just share a brief story with you to illustrate this. One of our members recently made a major investment in new equipment to double its capacity. One key piece of equipment required separate approvals from the Ministry of the Environment and two different branches of the Ontario Technical Standards and Safety Authority. Unfortunately, each of these three regulatory branches of government imposed incompatible requirements on the same piece of equipment. Eventually, at great cost and time, those issues were addressed.

My story is not done there. When yet another branch of TSSA dictated the operator training and qualifications required for the new equipment, the regional TSSA officer overruled those decisions and imposed his own requirements on the plant. That company has decided to make an economic decision to operate at less than full capacity at this time rather than meet that arbitrary requirement, a requirement not imposed in other jurisdictions operating similar equipment.

Look, no one questions the need for regulatory regimes to protect workers, the public and the environment. What they do object to, though, are schemes that impose a disproportionate burden compared to other jurisdictions when those schemes don't provide any commensurate benefit to Ontarians.

The complexities, the inconsistencies, the cost, the average 700-day wait time for environmental approvals—make no mistake: Those issues paint Ontario in a very negative light in the investment centres of global multinationals.

I bring this to your attention today because I strongly believe Ontarians deserve better and I strongly believe that we can do better, but we can no longer avoid addressing this rather large elephant in the room. We must work collaboratively for better outcomes.

With that in mind, we were especially pleased to note that chemicals manufacturing was identified as a priority sector in the newly launched Red Tape Challenge initiative, which was announced by Minister Duguid this week. We remain hopeful that our participation in that initiative will provide an opportunity for meaningful improvements in the efficiency and effectiveness of Ontario's regulatory regime.

Once again on behalf of the Chemistry Industry Association of Canada, I thank you for the opportunity to share our thoughts in the pre-budget hearings.

The Chair (Ms. Soo Wong): Thank you very much for your presentation. I'm going to turn to Mr. Clark to speak in this round of questioning.

Mr. Steve Clark: Thanks, Chair. Happy New Year; nice to see you. Mr. McDonnell also has a question.

I just want to thank you, Bob, for your presentation today. I did some pre-budget consultations in my riding earlier this week at a mayors' breakfast. This whole issue of our regulatory system and the left hand not knowing what the right hand is doing: I'm particularly saddened

by that TSSA story, where one officer overrules another decision.

I have a riding that's in close proximity to the United States—I have two international bridges in my riding—and a week doesn't go by that I don't have a business come to me, saying that the US is trying to entice them there for low hydro rates, decreased regulatory burden, and the list goes on and on.

What do you think would be the best government approach to try to deal with issues like the regulatory system? Is the ministry currently doing things in the right direction in terms of a review or should there be something perhaps from an all-party perspective that looks at that particular issue?

Mr. Bob Masterson: Well, you're the ones who can decide that, how the assembly itself should approach the issue.

Look, my approach: I'm a graduate student of public policy, and my advice—the same as I give to my children all the time—is when you're in a hole, stop digging. The main thing is that as you, in government and in the assembly, see new initiatives coming before you, you'd better ask some much tougher questions. You'd better ask: How does this line up with how it's done in other jurisdictions? Can we afford this? What's the most efficient way to accomplish these objectives? Are there other service providers that can do this in other ways? Those are all good questions that we've never had to ask in the past, but today we have to ask them if we want to be competitive. I think that's the main thing: Stop digging the hole. Let's start doing things better, having better outcomes going forward.

I can't talk about the Ministry of the Environment. I think there's a process there that will be under way, but it will be imposed on them. But I will say very favourable things about the work being done by MEDEI and Minister Duguid. They are asking the right questions. My only comment to the committee, the assembly and the government itself is to please support Minister Duguid and his deputy Gherson and what they're trying to do. They're asking all the right questions. They're trying to pull the right levers. If they are ignored, you're going to put us behind for another generation.

The Chair (Ms. Soo Wong): I believe Mr. McDonnell has some questions for you.

Mr. Jim McDonnell: Thank you for coming out today. I have a private member's bill to address some of the issues of TSSA. We're looking to at least publishing the regulations so companies and designers can actually know what the regulations are before they go for approvals.

In my own riding, one of our largest employers was looking at creating two lines of additional manufacturing. After going through the process for the approval of one, they left. They never followed through on the second one because of the regulation and the issues they had with TSSA.

I met with a manufacturer in our area who refuses to design product for Ontario because he can sell his

equipment all around the world, but there's so much trouble selling it in Ontario and the costs of getting the inspections done—again, they're arbitrary. They go in, and a regional person wants something different. The customer is getting fed up. They're seeing approvals that cost—equipment that should be almost nothing being \$50,000 or \$60,000 and still not having approval.

Are you seeing the same things?

Mr. Bob Masterson: Well, we do, and I mentioned TSSA, but that was just by way of an example. I think if you just focus on that, you're missing the big picture, which is that the entire regime is complex, costly and inefficient. For those costs, if we got better outcomes, we could all celebrate that and say it was worth it, but we're not seeing better outcomes. We're seeing the types of things that you've mentioned.

There are opportunities, again, to reform that, to look at some of the best practices in other jurisdictions, whether it's an inspector from the Ministry of the Environment or TSSA—the TSSA people are very powerful. I didn't mention the name of that company because their TSSA officer has the ability to shut them down. It's very difficult, even for them, to come forward with a concern about how this works. They've got a new line. They could be operating 24/7 around the clock and they've made a decision to only have two shifts because they think it's an arbitrary decision, the operator training and certification requirements that are now imposed after the date and that are different than what was said at HQ.

It's a broad story, but it isn't just TSSA.

Mr. Jim McDonell: It's interesting you talked about companies being afraid to come forward, because that's very much the same thing that happened. They have the opinion and they get picked on.

Mr. Bob Masterson: It's a risk.

Mr. Jim McDonell: If they go public and talk about something, then the TSSA seems to be in the next day with another regulation that is kind of out of the blue. We see it time and time again.

Mr. Bob Masterson: Again, it's not the only issue; I just used it as an example. But it's a statement of how complex it is.

You asked about other jurisdictions. I'll just say, very briefly, in my last comment, you talked about the draw to take Ontario facilities and investments to other jurisdictions. Ontario's not in that game. That's the part that's the most frustrating. As an economy, we're not out saying, "We want that investment to come here. What would it take to make it work and to get you to make that investment?" So other people are just stealing it and giving what needs to be done.

0950

One of the key things we see in other jurisdictions that make investment work is a one-stop shop, so that it's not the investor and the operator who have to go ministry to ministry, department to department, branch to branch to try to make this thing work. There's one place they go, and when they have problems, they come back and say, "Oh, you need to provide that department with this. Can

you get me that by tomorrow?" Done, and things move very quickly.

The Chair (Ms. Soo Wong): Okay, Mr. Masterson, I'm going to stop you there.

Mr. Bob Masterson: Thank you very much.

The Chair (Ms. Soo Wong): If you have any written submissions, you can do so by February 2 at 5 p.m., to the Clerk. Thank you very much again.

PROBATION OFFICERS ASSOCIATION OF ONTARIO

The Chair (Ms. Soo Wong): The next group coming before us is the Probation Officers Association of Ontario: Elana Lamesse, as well as—there are two of you, I understand?

Ms. Elana Lamesse: She's not going to come.

The Chair (Ms. Soo Wong): She's not going to come in? Okay. All right.

Welcome. You've probably heard you have 10 minutes for your presentation followed by five minutes of questioning, and this round of questions will be coming from the official third party.

You may begin any time. When you begin, please identify yourself for the purposes of Hansard.

Ms. Elana Lamesse: Good morning, everyone. My name is Elana Lamesse. I am a probation and parole officer, and I am also the president of the Probation Officers Association of Ontario. POAO is a voluntary, non-profit organization representing the professional interests of probation and parole officers across Ontario. POAO is an association of like-minded professionals who believe in the work they do and the role they play in the criminal justice system. We are committed to the preservation of the fundamental role of the probation officer within community corrections. I would like to thank you for providing us the opportunity to present here today.

The Ministry of Community Safety and Correctional Services has a mandate to protect the public by establishing, maintaining and operating adult correctional institutions and probation and parole offices in Ontario. In our communities, probation and parole officers strive to meet that mandate by supervising convicted offenders who receive a sentence that allows them to stay in the community on probation, conditional sentence or early release on parole.

Corrections in Ontario has recently received a lot of media attention, partly because of the threat of a strike, but more so because of the ongoing major incidents that unfortunately have become far too commonplace in our business. Those incidents are not simply isolated events, but are the symptoms of a system that has broken down from neglect and poor management.

Bear in mind that the public only hears about a fraction of the incidents that occur on an ongoing basis within the walls of our institutions as well as our probation offices. As a charter member of the critical incident stress management team, I can tell you that these

incidents are becoming more and more commonplace as officers find themselves in risky situations on a more consistent basis. I believe in the critical incident stress management model, but my heart sinks a little bit each time I receive a call activating me to respond to the needs of a colleague who has suffered some form of trauma in the workplace.

Correctional services, like any other system in government, requires resources to operate effectively. When those resources are denied, the system suffers. In corrections, this has come to a critical point where the safety of our community, our staff and the offenders we serve is being significantly compromised.

I am here today to focus on community corrections. Our probation and parole services monitor over 50,000 offenders in the communities of Ontario on any given day.

The Ontario Auditor General, Bonnie Lysyk, identified some alarming trends in the 2014 audit of adult community corrections services. I will share the following highlights:

- Ontario has the highest offender population of all provinces and territories.

- Ontario probation and parole officers have the highest caseload averages in Canada.

- The Ontario government spends the second least on probation and parole services in Canada, just \$5.81 per day per offender.

- 44% of our offenders are classified in the high- to very-high-risk category.

- By the ministry's own estimates, the number of offenders with mental health issues has grown by almost 90% since 2003, to about 10,000, or 20% of the entire offender population as of 2013, yet the ministry has provided no resources and minimal training to help officers deal with this workload pressure.

As a probation and parole officer for the last 25 years, I can say that I have some considerable knowledge of the subject matter. Our POs are a dedicated and skilled group of professionals who continue to give their all to deliver on the mandate of our ministry. Sadly, we just cannot meet all of the requirements of the job with the staffing levels that are presently in place. That means that public safety suffers, officers suffer from burnout and vicarious trauma, and offenders are not supervised to our fullest capacity.

Almost all of the disconcerting facts uncovered in the Auditor General's report can in some direct or indirect fashion be attributed to a serious lack of resources—human resources. The recent agreement to hire 25 new officers is comforting; however, this action does not even drop the caseload average in Ontario by a single percentage point.

What the Auditor General's report does not highlight is that our ministry does have a robust program model, and the standards of supervision that our government sets are as high as, if not higher than, the rest of this country. PPOs in Ontario have carried the highest national workload for more than two decades. Despite this fact,

our ministry continued to increase the duties and responsibilities of officers to administer their case supervision.

A new style of supervision is on our horizon as well. This style entails an intensive amount of training along with a new way of interacting with our clients: Strategic Training Initiative in Community Supervision, or STICS, where probation officers are being trained to apply evidence-based principles of offender rehabilitation in all aspects of client supervision. Training for this initiative is designed to enhance the skills of probation officers to include structured one-to-one intervention techniques that target the criminogenic needs of medium- and high-risk offenders in the community.

Make no mistake, POAO is behind this initiative and believes that it can be an integral tool used by probation officers to rehabilitate offenders and keep our communities safe. Our fear is that there will be no resources to accommodate the extra duties that front-line officers will be forced to take on in an effort to meet the increasing demands of our caseloads. This will also result in less time for other workload requirements. This has been an ongoing theme within this ministry for more than a decade. At some point, with enough pressure, any dam will break, and I put it to you that, in our case, it already has, regardless of the creative ways we as probation and parole officers try to maintain our service delivery.

POAO's counterpart to the south, the American Probation and Parole Association, APPA, suggests a caseload average of 50 for a probation model that is similar to that which we utilize in Ontario. Our officers typically have caseloads of 60 to 75, and in some areas, the numbers range between 80 and 90. This is unacceptable and it's unsafe. Public safety is the most important aspect of the mandate of our ministry.

Our minister recently posted a message about the transformation of correctional services in Ontario where he mentioned the need for our correctional system to better care for offenders with mental health issues. This is very, very true. In the past 25 years, I have seen the changes in the clients we are serving. These are high-risk, high-needs individuals, often dually diagnosed with complex issues. We are seeing individuals who are unable to cope with the everyday stressors of daily life. Often, their probation and parole officer is their only source of support. These are not cases; these are people: people who need us, people who we just do not have the time they deserve to serve them because of our workload pressures.

Probation and parole officers are in need of cutting-edge and ongoing training and professional development. We have to stay on top of the trends. Our communities depend on it. This is sorely lacking. When training is available, it is difficult to get away from our caseloads in order to attend. Who supervises our clients when we are in training? No one. When we return from training we are so far behind in our work that we fear something or someone will be lost. When we drop the ball in our work, there can be dire consequences.

We are allocated \$100 per probation and parole officer annually to attend professional development. What kind

of professional development do you think is happening with that kind of budget? Yet we must keep on top of the trends in order to be effective in our profession. Does it make sense to force a professional who society has entrusted to look after our most damaged population to search for professional development based on cost? Is adequate professional development being received for \$100 per year? I think not.

With a caseload of 51,000 provincially, and anticipating more pressures on the community with changes to parole and other alternatives to custody, Ontario would need another 100 probation and parole officers to achieve caseload sizes that are consistent with APPA recommendations. Taking into account the 25 new full-time positions promised to us by this government, 100 new full-time officers would require an increased contribution of approximately \$7 million to the current budget. That is far less than the amount of money spent in the last 14 months on preparation for a strike that did not occur.

1000

The Vice-Chair (Mr. Peter Z. Milczyn): Could you wrap up your presentation, please?

Ms. Elana Lamesse: Thank you.

Laughter.

The Vice-Chair (Mr. Peter Z. Milczyn): Oh, you had two more seconds.

Ms. Elana Lamesse: I'm right at the end. I have two sentences left.

The Vice-Chair (Mr. Peter Z. Milczyn): Ms. Fife has questions for you.

Ms. Catherine Fife: Do you want to finish, Elana?

Ms. Elana Lamesse: May I?

Ms. Catherine Fife: Yes.

Ms. Elana Lamesse: Okay. It is difficult to say how much would be needed to run an effective program with consistent, relevant and ongoing training for our probation and parole officers, but I put to you today that it is far less than we will pay down the road if we do not begin to heal this broken system we call corrections. Thank you.

Ms. Catherine Fife: Thank you very much, Elana. I want to say, first off, thanks for the work that you do. I think that as this committee has gone around the province, we've actually had the unique opportunity to listen to parole officers, particularly in Thunder Bay. I hope that we have a better understanding of the work that parole officers do as it relates to corrections. When the mayor of Thunder Bay called the facility in Thunder Bay a "rathole"—

Ms. Elana Lamesse: Yes, I saw that.

Ms. Catherine Fife: And the correctional officers called it "criminal college."

Ms. Elana Lamesse: That's not unique to Thunder Bay.

Ms. Catherine Fife: No, it's not. I toured Maplehurst and Vanier in Milton. I have to tell you, what I saw in those institutions will stay with me forever. Every MPP needs to tour a correctional facility in this province to see how bad they are and how long the correctional staff and parole officers have been waiting for justice, which is

something ironic, don't you think, that correctional officers have been waiting more than a decade for justice?

The Auditor General—I'm so happy that you've raised that report. The Auditor General is an independent officer of the Legislature. She has no partisan affiliation. Her job is to follow the money and to find the weaknesses. That report came out in 2014, and now you only see an increase of 25 more officers? It is really something else.

Also, I wanted to give you a chance to touch on or expand a little bit on mental health, because what we've heard is that this is the criminalization of the mentally ill.

Ms. Elana Lamesse: Very much so. That's what we're seeing.

Ms. Catherine Fife: And to see these women who are in solitary confinement in their own kind of hell at Vanier—that will never leave me. Because it's such an important piece in the training and the professional development piece, can you please expand on that, Elana?

Ms. Elana Lamesse: Well, if you're familiar with the Jahn decision, human rights decision where our ministry was supposed to commit to ongoing training for mental health: I'm still waiting. It hasn't happened. Our caseloads are becoming so complex, and I'm not trained to deal with the sick mind; I'm trained to deal with the bad mind. So it's a whole different way of looking at things, and unless there's support out there, it just doesn't happen.

That's not to mention the wait for services in the communities. When we're faced with somebody who is finally ready to tackle their issues and talk to somebody or get medicated, and then you tell them they have to wait 18 months for an appointment, it's reprehensible.

Ms. Catherine Fife: Yes. And from the parole officer perspective, your caseload is so high that when the gaps are exposed, usually it's because of a tragedy.

Ms. Elana Lamesse: Exactly, and that's what we would like to avoid. We've seen it in Wilno.

Ms. Catherine Fife: Obviously. Can you give us some insight? We've had the Auditor General, the Ministry of Community Safety and Correctional Services' reports, Department of Justice reports. What is the barrier to actually ensuring—the correctional institutions are supposed to keep us safe and rehabilitate, which is not happening.

Ms. Elana Lamesse: It's not happening. There is no rehabilitation.

Ms. Catherine Fife: Tell us in your own words: Why is this government refusing to act?

Ms. Elana Lamesse: I wish I knew the answer to that. I'm dumbfounded by it. There's just no money for anything, to do anything. We are taking on more and more. We're getting more and more administrative tasks, in that we're forced to make sure that our files are tidy and that we're complying with standards. But somewhere along the way, people forgot that we're dealing with people.

Ms. Catherine Fife: I would suggest to you that there is money, because there's a cost to not funding a just correctional system.

Ms. Elana Lamesse: Right.

Ms. Catherine Fife: Thank you so much for coming in today, Elana.

Ms. Elana Lamesse: Thank you for giving me this opportunity. I do really appreciate it.

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you very much. If you want to submit something in writing to the committee, you can do so until 5 p.m. on February 2.

OTTAWA CENTRE ECODISTRICT

The Vice-Chair (Mr. Peter Z. Milczyn): Our next witness is the Ottawa Centre EcoDistrict. Good morning.

Mr. Don Grant: Good morning.

The Vice-Chair (Mr. Peter Z. Milczyn): You have 10 minutes for your presentation, followed by five minutes for questions. In your case, it will be from the government side. Before you begin, if you could state your name for the official record.

Mr. Don Grant: My name is Don Grant. I didn't bring a presentation to look at, but I have copies for everybody, so if you'll just go through that.

I'm here to talk a little bit about our organization today, just talk about the success that we've had and make a pitch for more in the future.

In Ontario and Ottawa, we are proud to be the home of Canada's first EcoDistrict. An EcoDistrict is a way of developing a sustainable neighbourhood. In our case, what we've done has been mostly community-led with a lot of support. What we've tried to do is adopt a successful US model and apply it here in Canada.

At the end of the day, what we're trying to do is three things. We're trying to reduce the environmental footprint of buildings and operations; we're specifically looking at energy and water and waste; and also how people get to and from work. We're looking at trying to shrink that footprint. It has financial benefits to organizations and companies and it has environmental benefits and obviously health benefits to people who have the opportunity to get out of the car and walk or take a bike or that type of thing.

In Ottawa, if you take a look on the second page, we're the purple area. We're working with businesses and organizations downtown to try to get this vision off the ground; we're looking at some specific things. Geographically you can see that it's a small area. The research that I've done in the past shows that when you have large plans, it's hard to zero in on the specifics and to meet people one-on-one and to really see meaningful changes, so that's why we focus on the small area.

Interestingly enough, here in Ottawa, there are several areas where we're looking at similar kinds of improvements, where we're trying to build a greener, more responsible downtown. The area there in orange is a new development that is proposing to be the world's most sustainable development. They're shooting for zero carbon and zero waste. It's called Zibi.

The area in green is Energy Ottawa development, where they're going to triple the capacity of the current hydroelectric generation at Chaudière Falls.

The area in red is the LeBreton Flats proposal. That's a NCC initiative, a federal initiative, to redevelop those lands. There are two proponents who have come forward. We're going to hear about that next week.

Then the area in blue is where the city of Ottawa, in partnership with the province, is proposing the development of an innovation centre at Bayview Yards.

We're seeing, for us, a real coming together of this kind of a move towards a more sustainable community.

In terms of our organization and what I wanted to speak about today, we're a success story from the Trillium program. We received a grant in 2014 that allowed us to both build capacity internally and also to leverage funding from other sources. So by having Trillium, we were able to secure private sector funding, other public sector funding, and we also built a network of over 50 businesses and organizations. We've got six of the largest property management firms—Minto, Morguard, Bentall Kennedy and so forth—as well as some other organizations that have come together, and we're working to execute this plan. We've had over 160 volunteers who have put in over 1,200 hours and we've launched a number of projects.

We've looked at things like energy conservation. The federal government has a district energy facility here in the downtown core and we're working with them to try to ensure that if they move forward with a P3 capability, that energy can be available to all private and public entities in the downtown core. That gives us a reliable and lower-carbon source of energy right here in Ottawa.

We've worked hard on electric vehicles to promote them and to better understand the barriers to adopting use.

1010

We're also very pleased that the province has put forward \$20 million for electric vehicle charging stations. We are working with the city and hydro to find excellent locations for those, because we know that will bring tourists to downtown, and other things, and it will help to get the infrastructure going.

We've worked hard to understand why we haven't been able to succeed on waste diversion, especially in the ICI organizations.

A quick little story: We had a student-led project where we looked at two different food courts in the downtown core. Roughly 50% of people took less than five seconds to dispose of their waste. They just walked up and tossed everything in the garbage. When the students introduced themselves, in one of the two instances, and said, "Oh, today we're doing a small project. We're from the University of Ottawa and we're just here to observe how people manage their waste," it went up to 80%. So the message there is that there is a real human intervention that needs to happen in order for us to achieve our environmental goals.

Interjection.

Mr. Don Grant: I know. We get them there all the time.

In terms of the future for us, we're going to be supporting action on climate change. We'll continue to

work on the district energy file. We're going to be working with the city to support a renewable energy strategy, and electric vehicles. The city is going to roll out LED lighting in the downtown core, so we've gone to some of the private landlords and said, "We'd like the downtown core to be an LED-friendly zone. Will you invest some money of your own to also do exterior lighting?" They've said yes, so that has been a positive.

We've got a plan to work with small businesses, to go door to door and talk to them about how they can adopt environmental measures. We're hoping to partner with the IESO and with Hydro Ottawa on that one.

With tourism, we're looking at trying to make the tourist experience better. We have a lot of knowledge about cycling, so we want to make cycling maps that are easy to follow. For instance, we have this crazy idea that you'll have a green dot route and a blue square route, like skiing. The green dot will be the one where you can go around town and you can be completely on separate infrastructure, so even little kids could do it; right? The blue squares would be the safest way to the Museum of Civilization and so on and so forth. There are lots of great things going on.

We're supporting health. We did a really neat project with citizen-led science where we dropped 60 volunteers on 20 street corners in Ottawa, with their bikes, in 12 different wards, and we asked them all to cycle to downtown and report on it. We collected all that data and provided it to the city. We have excellent data now on those routes and what could be done to improve them.

These are just some of the little things that we're doing.

Why am I here, other than to tell a nice story? I wanted you to understand that the Trillium fund supported us as a not-for-profit. Not-for-profit is difficult because a lot of the funding available is for charities, and a lot of the funding that's available does not support core operations. So it's very hard for me to ask somebody at a fundraiser, "Hey, listen, can you pay my salary?"

The way that it has been done has been really important, and it has helped to leverage a lot of volunteer hours and a lot of good things. We're basically dot connectors, and we've pulled people together to work on specific projects, when they'd probably just continue to work in their silos.

Looking forward, one of the things I think we could do well is to provide fee-for-service work to support a whole range of programs. We could probably do it more effectively than municipal governments and probably do it more cost-effectively than large consulting firms because we're on the ground, we're already mobilized and we have a low overhead. If you think about things like delivering awareness on improving cycling lanes or getting people to manage their waste properly, I think organizations like ours are well positioned. The feds used to call it "contribution agreements." We think that's an area where we could demonstrate our value.

We believe that it should be pay for performance. Once you grow to be an NGO of a certain size, like we

are, if we say we're going to cut a certain amount of watts, we should be accountable for that and report on that and be able to demonstrate a positive track record. If we're in situations where we can access funding to do specific jobs that need to be done to help improve environmental performance and other things, we would want to be accountable for that. I think that those kinds of ideas—as we look at how we're going to tackle climate change and other challenges, we just want to be innovative and we want to be there. We're finding that there are a lot of really smart people in the NGO sector, especially young people in social enterprise. We would just encourage you to continue to support that through specific programs related to things like the rollout of climate change and so on and so forth.

That's basically it.

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you very much. Ms. Vernile has questions for you.

Ms. Daiene Vernile: Good morning, Mr. Grant.

Mr. Don Grant: Good morning.

Ms. Daiene Vernile: Thank you very much for a very interesting presentation.

Mr. Don Grant: Thank you.

Ms. Daiene Vernile: As the parliamentary assistant to the Minister of Research and Innovation, the Honourable Reza Moridi, I found what you said this morning very inspiring, particularly how you are trying to create sustainable neighbourhoods and you're looking at energy and waste and transportation. I know that our Premier cares very much about this issue. Recently in Paris, at a world conference, she joined world leaders to stress her commitment to addressing the very serious issue of climate change.

You know that, in Ontario, we're the first jurisdiction in North America to shut down all of our dirty coal-fired power plants. I'll tell you, as the mother of a child who suffered with asthma, back in the 2000s, when he was about 12 or so, there were many, many days where we'd be at the local hospital, where he couldn't breathe. Back then, we used to have between 30 and 50 smog days a year. Since we shut down these coal plants, in the last two years, we have had, in Ontario, a total of zero smog days. So that's a really great initiative and I would imagine that you care about that too.

You talked about the challenges in getting businesses on board with your plan. There are many critical voices in Ontario today who would believe that businesses do not care about this, and that they may not want to embrace our cap-and-trade program. What do you say about that?

Mr. Don Grant: My experience has been that it just takes time. You have to network with people.

Again, if I go back to the landlords that I'm working with, they're very supportive, but they get approached by so many organizations and small entities that we, in our sector, need to take the time to sit with them, to listen to them and to say, "How can we help you?", to find out what their issues are and to find out how we can move things forward slowly.

The LED lighting idea came from one of those six; it was from Bentall Kennedy, in fact. They said, “You know, I’ll tell you what, Don. If you can get the city on board and get our lights changed first, as soon as you get your lights changed, we can do this, and I’ll bet you our other landlords would.”

I’m not dealing with large industries; I’m dealing with small, everyday businesses and organizations like that. When I go and talk to them, that’s the approach that we take, and I find that is one of the most important things that we do as a small entity.

Ms. Daiene Vernile: Don, do you think that this could be modelled elsewhere in Ontario, what you’re doing here in Ottawa?

Mr. Don Grant: Yes, 100%. It’s hard to take a new methodology and make it work, but the idea of having community groups come together under a not-for-profit framework is really at the core of this new approach from the EcoDistricts. I think it’s a reasonable way to go forward. I know that there are some other similar successes, like Sustainable Kingston and a few other places. I think it can be modelled pretty much anywhere. I would say that it would scale down to even communities in the 10,000 neighbourhood.

Ms. Daiene Vernile: You are doing this with a Trillium grant. Can you give us a dollar figure? What would you need to continue this in Ottawa? What would you like to see in the budget?

Mr. Don Grant: I would just like to see funding available. I don’t have a number. But when you’re thinking about how we can fight climate change in communities, to have grants available where a person can come forward with a solid business case and tell you what kind of a contribution they can make—we’re talking about projects in the \$25,000 range, I’d say, and that would keep us busy for several months.

I’m not here to just get that. I’m here saying that hundreds of those, invested judiciously around the province, would give us good returns.

Ms. Daiene Vernile: I want to find out from you what it has been like, dealing with the Ontario government. How do you find them as a partner in all of this?

Mr. Don Grant: Well, I’ll say this: My other two partners are the federal government and the municipal government, and you guys have been the ones who have been the most receptive to date. I can say that I’ve had excellent communications with my local MPP, the Honourable Yasir Naqvi. He met with us right off the bat. Good, very good.

Ms. Daiene Vernile: We have a new partner in Ottawa too, and I think they get it.

Mr. Don Grant: I hope so.

Ms. Daiene Vernile: Thank you very much, Don, for coming and chatting with us today. We appreciate it. Keep up the great work.

Mr. Don Grant: Thank you. Thanks for your questions.

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you, and if you do want to make a written submission to the

committee, more than just this, you have until 5 p.m. on February 2. Thank you very much.

ALLIANCE TO END HOMELESSNESS OTTAWA

The Vice-Chair (Mr. Peter Z. Milczyn): Our next witness is the Alliance to End Homelessness Ottawa.

Mr. Steve Clark: Chair?

The Vice-Chair (Mr. Peter Z. Milczyn): Yes, Mr. Clark?

Mr. Steve Clark: I’ve just been talking to the Clerk. The next presenter after this gentleman is from my riding, so I’d like the committee to consider having the NDP and I switch questioning on the next two deputants. Ms. Fife, I believe, is okay with that. I just wanted to ask the other members of committee if it was okay.

The Vice-Chair (Mr. Peter Z. Milczyn): If there is agreement on committee? All right, it’s agreed. Thank you very much.

Thank you for coming this morning. You have 10 minutes for your presentation, following which there will be five minutes for questions. In your case, the questions will be coming from the third party. That’s what we just agreed to. As you begin your presentation, if you could please state your name for the official record.

1020

Mr. Mike Bulthuis: Sure. Good morning. Thank you for being here. My name is Mike Bulthuis. I’m the executive director of the Alliance to End Homelessness Ottawa. The alliance is a non-partisan, non-profit organization working in partnership here in Ottawa to inspire local action, to generate knowledge and to inform our community-wide effort to achieve an end to homelessness in our community. We represent over 50 Ottawa-based service-providing organizations working to strengthen residents’ housing outcomes. We are driven by a vision of an inclusive community where everyone has an affordable and appropriate home. We believe that every sector in our community, including governments and the private sector, can and need to do more to help us achieve that vision. We want to work with you and with them.

We actually believe that the province of Ontario shares our vision as well. Early in 2015, this provincial government appointed the Expert Advisory Panel on Homelessness, which in October released its final report and recommendations, entitled *A Place to Call Home*. The panel, in its recommendations, calls for progressive action centred around the government’s earlier commitment, expressed as part of your Poverty Reduction Strategy, to end chronic homelessness in Ontario within 10 years.

Now, we know that ending homelessness is not only good for our vulnerable neighbours; it’s good for our communities, our economy and the entire province. In response to the panel’s report, we applaud the \$10-million commitment over two years in targeted funding from the Local Poverty Reduction Fund, pursuing innov-

ative approaches to help prevent and end homelessness across the province.

Here in Ottawa, with initiatives like Broadening the Base, a collaborative table bringing together funders, developers, landholders, philanthropists, ourselves and others to develop innovative solutions to address our shortage in affordable housing, we recognize that new approaches are needed. However, the provincial response needs to go further. Yes, while additional provincial data may be needed on some aspects of homelessness, we echo the panel's call for "immediate action—a down payment," to use their words, "—to demonstrate the commitment to ending homelessness."

We also do applaud the government's concurrence with the panel, not only in its bold commitment to ending chronic homelessness in Ontario within 10 years, but in choosing to prioritize provincial action to reduce homelessness in four areas, around youth, aboriginals, individuals experiencing chronic homelessness, and a fourth category that's a bit more challenging, homelessness following transitions from provincially funded institutions and systems of care, such as jails and hospitals.

In our brief that we have presented—and I won't have the time to walk through every item of our brief—we walk through four sections. What we want to outline are ways to make further progress towards this commitment of ending homelessness and towards enhancing residents' housing outcomes through, first, the province's Long-Term Affordable Housing Strategy, which is due to be released in its next iteration this spring. Secondly, we do call and continue to call for meaningful increases to provincial rates of social assistance, and I'll talk briefly to those. Thirdly, we begin to identify some concrete areas to make progress on those four priority sub-populations, because they do each require unique responses. Fourthly, we outline some very brief, non-budgetary measures that we think can also be implemented, particularly through the Planning Act and issues of zoning to permit municipalities that would actually help without necessarily costing the province. I'll speak briefly to these four sections.

We encourage the province to seize a significant opportunity this spring and in the coming years to make progress vis-à-vis both the four populations and indeed all Ontarians with significant budget support for the next phase of the Long-Term Affordable Housing Strategy. Enhancing the province's availability of affordable housing through long-term and stable funding must be seen as core to any strategy to ending homelessness within the province.

We know we have work to do, and we outline a few stats, not to discourage us, but simply to reiterate the urgency of the crisis that is before us. We publish an annual progress report on ending homelessness and track year-over-year progress in a number of areas. We know that in 2014 here in Ottawa, a very wealthy national capital, 6,520 individuals spent some time in an emergency shelter. Their average length of stay was 77 days. Seventy-seven days times 6,500 individuals is tens and

tens of thousands of bed-nights in our shelter system, which is costly and unfair.

Over 500 of these individuals were between the ages of 16 and 25. One fifth—a number that I don't think we think too much about, because we don't necessarily see them in the ByWard Market or on our streets—are children 17 and under staying with their families in family emergency shelters.

Over 500 individuals were chronically or episodically homeless, again iterating the priority for that population, and we of course have over 10,000 households on our wait-list for affordable housing.

We know that the shelter data is only one slice of that. We did a survey last spring, interviewing over 130 young people between the ages of 16 and 25 who were homeless. We know that the majority of them were not accessing a shelter, and yet, still, 63% of them reported having been homeless for six months or more, so there is a hidden homelessness reality beyond the shelter data.

In our first area, we call for increases to our investments in affordable housing to grow the investment in the affordable housing program to ensure that funding is available for repair and renovation and, in response to what we hope is about to come in a wide, large-scale federal social infrastructure program, we ask the province to continue to match those investments, because together we can make some incredible change happen in the coming years.

Our second area is to continue to call for meaningful increases to social assistance. We know that with the shortage of affordable housing, those who aren't able to access that housing are struggling significantly with having to make choices between either paying the rent or feeding their kids. It might be an expression that we hear over and over again, but it's much more than a cliché, and we have some powerful data to point to that.

There is census data that came out last September that shows that one in five renter households in Ottawa—so we're talking about 22,000 households in Ottawa alone—are paying more than half of their income on rent and utilities. Our own federal government issued a standard of 30% many years ago, saying none of us should have to spend more than 30%. Because they're spending more than 50%, they are having to make choices between transportation, clothing, children's programs, food and so on. In fact, food bank lines across the province are reporting that over 70% of their income is going towards their housing. For those who can't access that affordable, subsidized housing, our rates of social assistance simply need to be increased.

We continue to track housing affordability if one's primary source of income is social assistance, and for an individual in this province to afford market-rate housing in Ontario, they would require close to 120% of their monthly receipt. Of course, that's simply impossible, so the rates are simply not keeping up.

So we call for increases to address the basic income levels of Ontario residents receiving OW and ODSP, so that they have the ability to afford safe and stable

accommodations. We want to establish a goal that would lead us in the longer term towards a guaranteed annual income.

Recognizing that there have been increases in the minimum wage in recent years, which is a very positive thing, and that they will continue to grow by inflation, we also ask that it is increased to become an actual living wage. Someone in this province who is working full-time on minimum wage in Ottawa is still spending more than 40% of their income on rent. If we're asking someone to work full-time, even if they're doing that, they are struggling in poverty.

I won't go into too much detail on our third section here, but there are four subpopulations that are prioritized by the province in terms of reducing homelessness in Ontario: youth, aboriginals, our chronic homeless neighbours and those exiting provincial systems. We outlined a number of measures, and this is really one area where, as a membership-driven organization with 55 service partners on the ground, we wish to partner with you and with others to develop innovative, creative, effective policy solutions.

I'll just refer to one area: youth. We know that youth are a priority both in our homelessness strategy and also the provincial Poverty Reduction Strategy, and that one of the commitments the province has made is to developing youth labs where youth will come together to work with us and you to develop solutions to homelessness.

Here in Ottawa, we have recently convened partners through an initiative called A Way Home Ottawa. It is a two-year initiative to develop a plan to prevent and end youth homelessness in Ottawa. We're developing a youth leadership team right now, and last week had a closing date for youth assistants to help us with that. We had over 75 apply, and going through them, I can assure you that the vast majority of them have lived experience of homelessness. There is a real desire by young people to participate in this process, and I think the youth labs that are promised by the province—we would love to be one of those—are a great, concrete way of making progress.

In all of these categories, investments in housing are key, but the supports and assistance structures—especially around chronic homelessness, some of the ways in which social assistance is structured are sometimes serving as a disincentive for folks to leave the shelter system. I know that in the provincial review of social assistance, we're also calling for some attention to that.

Our fourth area—I'll briefly close with this—is that we know there are also no-cost and low-cost mechanisms that can be implemented to help us make progress. We're pleased to see, within the mandate for municipal affairs and housing, attention to reviewing how planning tools can enhance affordable housing outcomes, and we recommend that Ontario deliver legislation that ensures affordable housing is included as a requirement in new housing developments.

One initial step could be to strengthen tools such as section 37 of the Planning Act to facilitate greater

transparency and predictability, and also to take a page from the federal mandate—and we hope to hear more about this—to actually leverage surplus provincial government land, because land is so often one of the most expensive pieces and prohibitive factors in developing affordable housing.

1030

In closing, we thank you for your commitments to date—we say that with much sincerity—around poverty reduction, ending homelessness and a long-term affordable housing strategy, but we do now look to further concrete actions in this budget and in the future to actually deliver on these priorities. We know that investing in people and their housing outcomes is good not only for those who today may be vulnerable but for their families, for our communities and for the province as a whole. Thank you very much.

The Chair (Ms. Soo Wong): All right. Thank you very much. I'm going to turn to Ms. Fife to start this round of questioning.

Ms. Catherine Fife: Thanks very much, Mike. You have really good ideas and a comprehensive report to the finance committee on action that needs to happen.

Homelessness is not new.

Mr. Mike Bulthuis: No.

Ms. Catherine Fife: To be fair, we've known a lot of the solutions. We do need the political will and we need the financial commitment to support reports that have pretty much come to this government almost on an annual basis—sometimes their own reports.

I do want to touch on a couple of issues, though, that you raised. The 2016 spring report that's supposed to come from Minister McMeekin on housing—this is the opportunity for you to really say to the government what needs to be the key priority of that report. I'm just as hopeful as you are that it actually is a plan that can be implemented quickly and accelerated in certain parts of the province. This is your opportunity to weigh in on that, please.

Mr. Mike Bulthuis: Bar none, the solution that will affect all of our priority population areas—all of those who are vulnerable to housing loss and those who are homeless—is investments in actual housing. We know that increasing the stock of non-profit, affordable housing is important for the long term, but we also have an immediate crisis. We've been finding here in Ottawa that while the housing-first approach has been prioritized provincially and federally, the shortage in that piece is the housing itself.

We need not just new stock but we need things like housing benefits and housing supplements so that someone who is exiting the shelter can afford a unit that's available on the private market today.

Our current inflow of refugees into the city—I know that for the first year, it's more of a federal responsibility, but those levels of assistance are made to match the level of provincial social assistance for the 13th month and beyond. We're finding that both of those, whether it's OW or whether it's the RAP federally, are simply

insufficient to afford market housing in Ottawa. So some form of an Ontario housing benefit, which I know has been called for by food banks and by many, I think needs to be a crucial part of the housing strategy that comes forward.

Lastly, housing is social infrastructure. If we do see an increase at the federal level, we really call on the province to match that and to demonstrate that political will.

Ms. Catherine Fife: And there are no excuses for that co-operation to not happen now.

Mr. Mike Bulthuis: I completely agree.

Ms. Catherine Fife: The social assistance rates: We've heard about these rates at every single stop. It is incredible that the clawback for child support still happens. Do you want to comment on the negative impact? That adds to the instability of housing. People lose their housing because of the clawback.

Mr. Mike Bulthuis: Yes. I'm not sure what I can even add to that. The notion of the child benefit, like any other tax credit, is to further supplement.

Ms. Catherine Fife: That's right.

Mr. Mike Bulthuis: And so by nature, the clawback is a contradiction with the intent, I would say, of that particular measure. And it is; it's forcing families to make choices.

Here in Ottawa we have two family shelters. On a nightly basis, if I'm not mistaken, between 75 and 100 families are staying in overflow emergency family shelters. Their average length of stay is about six months or more.

Ms. Catherine Fife: These are in motels sometimes, and hotels.

Mr. Mike Bulthuis: Precisely. Families are bearing a significant brunt of this. We don't necessarily see them on the street, but the reality is pretty stark.

Ms. Catherine Fife: So ending the clawback of social assistance, that has to happen. Essentially it's stealing from the poor, in my estimation.

It's incredible to me that the Ministry of Transportation doesn't collect on \$48 million worth of fines to private road maintenance companies but they can take \$40 away from a single mother who's living in precarious conditions. I wanted to raise that issue.

The other, bigger, broader political issue of social assistance, though—a solution did come to us in Hamilton around establishing an independent board that would look at social assistance rates, essentially taking the politics out of determining what is a fair social assistance rate. Do you want to comment on that, Mike?

Mr. Mike Bulthuis: I think that would be great, but similar to your comments earlier around reports coming annually, we know that there was a review of social assistance—

The Chair (Ms. Soo Wong): Okay, I'm so sorry. I need to stop you there, Mr. Bulthuis.

Mr. Mike Bulthuis: We call for an implementation of those recommendations.

The Chair (Ms. Soo Wong): Thank you for your presentation and your written submission, and thank you for being here.

BETH DONOVAN HOSPICE

The Chair (Ms. Soo Wong): The next group coming before us is the Beth Donovan Hospice. I believe it is Dawn Rodger, the executive director. Ms. Rodger, you have a colleague here. She's welcome to join you. So please come on up.

Ms. Rodger, as you know, you have 10 minutes for your presentation, followed by five minutes of questioning. Have a seat. This round of questioning is from the official opposition party. Please begin any time. When you do begin, please identify yourself for the purposes of Hansard. Thank you.

Ms. Dawn Rodger: Thank you. Good morning, everyone. My name is Dawn Rodger, and I'm the executive director of the Beth Donovan Hospice, located in Kemptville. Our hospice is centrally located, 53 kilometres from Ottawa, 95 kilometres from Cornwall and 58 kilometres from Brockville. I share this with you so you can put into perspective our geographic proximity to our larger urban centres.

I'd like to begin this presentation by thanking the Chair, as well as each and every committee member, for the privilege of addressing you here today.

I'd also like to acknowledge the presence of Mr. Steve Clark, the member of provincial Parliament for Leeds–Grenville. I must thank him publicly for his ongoing support of our mission.

As you've travelled across Ontario, you've already heard at least four devoted hospice professionals speak about the dire need for hospice funding and support for more residential hospice beds. You've undoubtedly heard how hospice care is the most efficient and humane means of providing care in the very last days of life.

I plan to add some specific information about rural hospice needs.

Beth Donovan Hospice has been in operation for 24 years and is a member of Hospice Palliative Care Ontario, and we fully support their policy position and financial request. Adding to their position, this presentation is about the need for residential hospice beds in our rural area, and how the lack of rural residential hospice beds impacts the constituents of rural eastern Ontario.

I have been privileged to be the executive director of Beth Donovan Hospice for the last eight years, and have served a term as director for the Champlain Hospice Palliative Care Program board, and as a former vice-chair.

In my time, I have seen our current system fail to provide dignified care to far too many individuals at the end of their lives. I would like to share one particular story with you today. I know that all of you must have your own stories that resonate within you regarding family members, friends and loved ones that you've lost along the way.

The fact is, yes, we at Beth Donovan Hospice have plenty of success stories from our burgeoning rural hospice that I'd be equally pleased to share with you if the time permits, but for now, I want to paint you this picture.

Just last week, I was contacted by a family in crisis. I attended a palliative client who was unable to get the pain medication he desperately needed in his final hours of life. Instead, he remained at home in the care of his elderly wife, with minimal home support, no family doctor oversight, and insufficient pain medication, let alone the exhaustion his spouse was experiencing.

This was a man who, in his last few weeks of life, was seen at three different hospitals, suffered immense and prolonged pain, and was finally admitted to hospital when it was clear that no attending physician or nursing care was available to support home-based care, and died in hospital—with another patient sharing the same room—after spending 17 hours in the emergency room department.

This gentleman did not require the complex care of a hospital but just very good pain management. He would have been an excellent candidate for residential hospice services, at a far lesser cost to the Ontario health care system.

As the committee will have heard by now, 80% of Canadians prefer not to die in hospital, but the majority do.

1040

A recent article about the costs of dying in Ontario produced some gripping figures. Ontario spends nearly 10% of its total health budget on care during the last year of life. This amounts to \$4.7 billion annually; of that, \$1.3 billion is spent in the final month of life. An acute care hospital bed costs \$1,100 per day, whereas a residential hospice bed costs \$460 per day. You can equate the cost savings to the system.

In spite of this remarkable expenditure, the vast majority of patients are not well served at end of life. Demographics dictate that overall end-of-life costs will increase dramatically in the coming years. While dying at home may be an individual's preference, under the current support system, medical home care professionals in the rural areas are travelling vast distances to reach their patients. They have a crushing caseload and they may not have access to ideal medications in a timely fashion or have the depth of experience in caring for palliative patients at home.

Collectively, we must face the fact that there is a lack of a palliative care infrastructure, programs and training in the province in general and in the rural areas in particular. Hospitals, by their own mission statements, are geared to emergency and acute care. Hospitals typically are very busy places and not designed to offer a calm and quiet setting for an individual in their last hours of life.

If I may be so bold as to say, the entire system simply isn't structured and funded the way we need it to be. In some rural areas of eastern Ontario, the only options a

person has are to die in a hospital or a hospice located in the city. This requires loved ones to spend hours driving every time they want to visit. Also, the impact experienced by the dying individual: As if dying wasn't enough, they're transferred to an unfamiliar environment, and not the community that they've been raised in for the last 64 years, where they have gone to church, they have friends, they curl, they play bridge or have lived off of a family farm that has been in their family for three generations.

They could die at home if there is family support and local medical resources to provide care, but families aren't always comfortable with this scenario. They want to be with family, not necessarily be the person who is tasked with managing medications and care schedules, and spend those precious moments with their loved ones.

The other option is to die in the hospital, which may be ill-equipped to serve palliative patients. This is a less-than-ideal option for the individual families and, again, it's a costly one for the health care system.

To have the option of dying at a residential hospice in a rural setting like ours requires dedicated resources and therefore your support. At the moment, Beth Donovan Hospice provides a portfolio of five programs: in-home support; a day hospice program; grief counselling; as well as community education and equipment lending programs. Our client numbers to date are 295 clients who we've served this year.

But what is lacking is provincial funding for rural hospice beds, where community, family and friends can come together to lend their support and care at the end stage of life. Just like our rural neighbours in Williamsburg and Almonte, where community hospice home services exist, citizens in Kemptville and North Grenville are vastly underserved when it comes to residential hospice beds. We are prepared to work together and we already do.

In closing, I offer the thought that people in our communities are too often robbed of the choice of where they would like to die. We can't expect families to drive many hours a day to an urban centre to access hospice beds. Like many communities across the province and many of our rural comparators, we have zero residential hospice beds.

The current system of funding, which is both inadequate overall and focuses solely on urban hospice beds, doesn't align with anything—not individual wishes, not family capacity, not health care system financial goals, not the recently published Patients First consultation document that was endorsed by Dr. Eric Hoskins, Minister of Health.

Today, I respectfully request that the committee use its powers, exercise its influence and take action to help initiate a program of change that would meet the needs of rural populations by supporting the funding for rural hospice beds.

I appreciate your time and consideration, and I welcome any questions that you may have.

The Chair (Ms. Soo Wong): I'm going to turn to Mr. Clark to begin this round of questioning.

Mr. Steve Clark: Thanks, Chair, and I want to thank the committee for allowing me to switch so that I can ask Dawn some questions. And I want to thank you for being here today.

I've been the member of provincial Parliament for Leeds–Grenville for what will be six years in March. I've been very patient and I've worked very closely with the Champlain LHIN. Every time there was a new executive director or every time there was a new board chair, I made sure that I called that person and let them know that my priority for the municipality of North Grenville was a Beth Donovan residential hospice to cover my area.

Those who are in the room who know the Champlain LHIN know that North Grenville is just a small corner of the area that Champlain represents, but as Dawn has pointed out, many other jurisdictions have, over those six years, received funding for a residential hospice.

We've jumped through every single hoop that the ministry has asked us to. If they've asked us to do a feasibility study, we've done a feasibility study. What has that study shown? The study has shown that there's an existing need, a growing demand and a lack of funding.

They asked us to increase our volunteer capacity. What did we do? We did that. They asked us to increase our fundraising capacity. We did that. We almost have unanimity in our community that a residential hospice in a rural area is needed in North Grenville. We've worked with the LHIN. I'm so glad you mentioned, Dawn, that you were a director of the Champlain Hospice Palliative Care Program; that was one of their requests.

We've been quiet. We've worked with the LHIN. Certainly, Chair, I talked to the parliamentary secretary for the Minister of Health and Long-Term Care, Mr. Fraser. He knows about it. I've asked for his support. I've warned Ms. Lalonde from Ottawa–Orléans that I want her support as well.

I just want—as a question, Dawn—to talk about the partnerships and the work that you've been able to do over the last six years to get to this today. We haven't been at every pre-budget consultation. We haven't shown up every year, but I think it's acknowledged in the community that we're ready this year and we want to move forward this year. Maybe if you could just let the committee know what we've been able to accomplish in a very short period of time.

Ms. Dawn Rodger: Certainly; thank you. In 2012, we submitted an integrated health service proposal application to have the funding increased for our community support programming. Previously, we were funded at approximately \$91,000. With the successful health service improvement proposal, our budget increased to \$251,000 with base funding, so the LHIN has had much faith in us with our growing programs and services.

We've worked very diligently with the Champlain Hospice Palliative Care Program board to enhance our capacity and our partnerships. We work with the Upper Canada District School Board, and we've initiated a PSW partnership that has delivered 200 direct client-service hours, free of charge, administered by a PSW to our

clients, so there's a cost savings to the system yearly with that partnership.

We've also been reviewing opportunities for research partnerships, but definitely have integrated ourselves into the community so that there are different partnerships everywhere we look. We've also initiated a partnership with the family health care team, where there's a direct palliative care patient referral system. The patient is referred through our hospice and is paired with a family physician who has an education in palliative care and a desire to provide that care.

Those are just a few partnerships that we have worked on, but certainly ones that have benefited clients as a whole and our community and have enhanced our human capacity to deliver those programs to a degree. Five programs and services service 300 clients yearly, with a full-time equivalent of approximately 3.7 FTEs. It's not a lot of staff for the amount of work that we're able to accomplish.

This past fiscal year, we've had 100 volunteers administer thousands of hours of care in the community to palliative patients who have been discharged from hospital, often very complex. Their retired registered nurse skill sets are very valuable to this community.

The Chair (Ms. Soo Wong): One minute.

Mr. Steve Clark: One minute.

Thank you for that. I think it was very important for the committee to hear that.

1050

This program started from extremely humble beginnings: a volunteer program that went from the very small village of Merrickville into North Grenville.

I want the committee members to know—I think it was my second member's statement. I was maybe an MPP for a month. It was because Beth Donovan had passed away. I gave her a tribute in the Legislature and pledged to her that day that I wouldn't let her dream die and I would make sure that I advocated for it.

I know that she's watching me and is glad that we're at this point that we've actually accomplished everything that the LHIN has asked us to do. Now it's up to them to reciprocate to the community.

So I just want to thank you for being here.

The Chair (Ms. Soo Wong): Okay. Mr. Clark, I'm going to stop you.

Ms. Rodger, thank you for your presentation and your written submission. As the Chair, I just want to let you know that at every stop, the hospice community has come forward with some suggestions and recommendations for the committee. As Mr. Clark also alluded to, the parliamentary assistant to Minister Hoskins, John Fraser, has taken the leadership on this particular file. I'm sure that the Premier and Minister Hoskins are working with the federal government, because we have been talking about dying with dignity and compassionate care. Thank you again for your presentation and your written submission.

Ms. Dawn Rodger: Thank you very much.

POLICE ASSOCIATION OF ONTARIO

The Chair (Ms. Soo Wong): The next group coming forward is the Police Association of Ontario: Mr. Bruce Chapman.

Ms. Catherine Fife: Is this round the Liberals?

The Chair (Ms. Soo Wong): Oh, yes. Yes.

Mr. Chapman, welcome. As you probably heard, you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from the government side. When you begin, can you please identify yourself for the purposes of Hansard? Thank you.

Mr. Bruce Chapman: Thank you very much. Good morning, committee. My name is Bruce Chapman. I'm the president of the Police Association of Ontario, the largest police association in Canada and representing more than 18,000 men and women in law enforcement, both sworn and civilian.

I'm here today to speak to this committee and government about Ontario's strategy for a safer Ontario and police funding for 2016 and beyond.

You may have heard from others that police costs are unsustainable going forward. I'm here to warn you of the consequences of not continuing to provide adequate and enhanced funding to protect our communities.

There are two areas I want to concentrate on. One is the value of professional policing.

Policing as we know it today has changed. Acts of terrorism and cybercrimes are to name a couple. Terrorism in the world today has made our country different than in the past; cybercrimes as well. It may take an officer eight hours or eight days, sitting in front of a computer screen, to catch a pedophile. Those eight days will not show, through stats or any other true number, the value of what that officer did. What it will show is that his salary was paid for for eight days. But by catching that pedophile, that officer potentially saved millions of dollars and protected countless children from becoming prey to that luring predator. In addition to saving children from potential harm and abuse, they will have saved the health care system and social service agencies from future costs associated with the victimization of our children. That in itself is priceless. That is the cost of policing today.

In the wake of a number of provincial budget cuts to policing, such as PAVIS and TAVIS, the PAO is hopeful that in the coming budget, they will not whittle away valuable police resources any further.

Fears about municipal budget issues can be mitigated by a strong provincial commitment to professional policing and by making it clear, through funding and policy, that outsourcing police services to private service providers is not an option.

A PAO survey of Ontarians in all regions and across all social and economic groups found only that 15% of the 1,315 Ontarians surveyed supported the concept of outsourcing police services. Some 74% of those Ontarians surveyed are very concerned with private security

companies having access to their private information, and 72% of those Ontarians surveyed said that public safety is more important than cost-saving measures, meaning the majority of Ontarians are very comfortable with taxes going to support police services.

The government's commitment to increased police regulations must be met with adequate funding to allow for proper training and adequate personnel to meet the government's goals of effective, efficient police services.

Outsourcing or reallocating traditional police functions to the private sector or to other parts of the public sector will prove to be a massive cost driver when a non-existent safety and privacy infrastructure would have to be created for non-police personnel to operate under. Any savings imagined by reductions in police services would be dwarfed by the massive outlays needed to sustain a parallel system.

Any parallel system will not be subject to the same civilian and government oversight as policing. These funds required to create robust oversight that mirrors functions such as the Special Investigations Unit and the OIPRD, the Office of the Independent Police Review Director, would be significant. Privatizing of policing is no more than policing for profit. Our communities don't want it and neither should this government. The risks greatly outweigh savings, if any.

The second issue is PTSD or OSI presumptive legislation for first responders. The rate of PTSD among first responders is estimated to be 18%. Many first responders will go undiagnosed and untreated, resulting in absenteeism, substance abuse issues and other negative outcomes that drive up the overall costs of policing and the stigma that's attached. Early and effective treatment made possible by presumptive coverage keeps officers in the system for less time and gets them back to work.

The Premier, the Minister of Labour, and the Minister of Community Safety and Correctional Services have promised a robust program to fight PTSD on three fronts: prevention, resilience and treatment, which includes presumptive legislation. These programs do not work without adequate funding. I strongly encourage this committee to support and advocate for robust budget measures to tackle the mental health crisis among first responders.

That's what I have for the committee. Thank you very much for your time.

The Chair (Ms. Soo Wong): Wow, that was very succinct. I'm going to turn to Mr. Milczyn to begin this round of questioning.

Mr. Peter Z. Milczyn: Good morning, Mr. Chapman. Thank you very much for your presentation.

I just wanted to start off by saying how much we value and appreciate all of your members and the tremendous work that they do every single day across the province to keep us all safe. We always hope that they are also safe, and come home safely to their families.

Your presentation raised a number of good issues. I did want to point out that I don't know the specifics about every community in the province but I do know

that, for instance, in the city of Toronto, the provincial grant for the Toronto Police Service went up by 10%, year over year, from 2014-15 to 2015-16—by \$4 million. That's in the city of Toronto. I don't know what the increases are in other communities. I do know that provincial funding for local police services is going up. In the case of Toronto and I imagine other communities, the specific funding for TAVIS was reduced but overall funding was increased, which was to allow the local police service to make the decisions about where they need to put those resources.

Are you finding that, across the province, there is flexibility for individual forces to decide how to best allocate the resources they have?

Mr. Bruce Chapman: I would like to say yes, but with the change from the reduction of PAVIS/TAVIS, which was specific to the guns and gangs task force for Toronto, for example, the new funding formula is government grants to municipalities to decide how that money is spent on policing issues and not necessarily to the police services to allocate that money within it. Policing has changed completely, as I mentioned, so costs are going up as a result of acts of terrorism. I can give examples of a surveillance team following a lead on a terrorist in the country for three weeks, 24 hours a day straight. That was not done two, three, four, five years ago. So the costs of policing have gone up, but it's to deal with the difference in crime and criminals as we know it today. Policing has changed.

Mr. Peter Z. Milczyn: Yes, obviously the nature of offences and the nature of investigations is changing. We do know that overall crime rates are decreasing, but yet in specific types of investigations, like maybe cybercrime or terrorism-related, the number of offences might be small but the complexity of investigations is great.

1100

I think our approach of increasing the grants and allowing local forces to make the decisions on how to allocate them is giving them the flexibility to allocate resources where they think they'll best be utilized.

Mr. Bruce Chapman: I agree, providing it's used for professional policing. The concern of the policing community is, that money will be used for outsourcing or privatization. The fear is that the oversight will not be there to regulate private companies the same way it is now.

You mentioned a good point about crime rates going down. Crime rates are going down because of the professional police doing their job.

Mr. Peter Z. Milczyn: Without a doubt.

Mr. Bruce Chapman: Any reductions in funding to policing in general may result in those crime rates going up, because we are doing an effective job, both in our training and in our experience and our education.

Mr. Peter Z. Milczyn: Now, I also note that over the last three years, we've increased funding for an enhanced youth action plan, to help the police and the community intercede earlier on with young offenders and put them on the right path. Is that an effective use of resources for the police and the community?

Mr. Bruce Chapman: It is, and in addition to that is the hub system now. That's the integration of all of our community services. Our health professionals, our social services, our educators and our police are all reviewing files, either weekly or monthly, and getting together on who will hold that file and who will take the lead on it. It is using all of the resources of all those agencies in a better way. You may have eight different agencies, all having files on one family, when one could take the lead on that and allow the other services, or the other agencies, to use that money more effectively.

Mr. Peter Z. Milczyn: If I could finally ask you, if you had one specific priority for the 2016 budget, what would that be?

Mr. Bruce Chapman: What we're most hopeful to hear from the government is either Bill 2 or an enhanced presumptive legislation for PTSD for first responders, including our civilian personnel and dispatchers as well.

Mr. Peter Z. Milczyn: Thank you very much.

The Chair (Ms. Soo Wong): Okay, Mr. Chapman, thank you for your presentation. Now, we noticed that you haven't given us a written submission. If you plan to do that, you have until Tuesday, February 2, at 5 p.m., to send it to the Clerk. Thank you, Mr. Chapman.

Mr. Bruce Chapman: Great. Thank you very much.

INTERFAITH SOCIAL ASSISTANCE REFORM COALITION

The Chair (Ms. Soo Wong): The next group before the committee is the Interfaith Social Assistance Reform Coalition. Mr. Gunn, welcome. If your colleagues want to join you, they're welcome to. There are lots of seats there.

I believe the Clerk is coming around with your written submission. As you heard earlier, you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from the official opposition party. You may begin any time. Please identify yourself for the purposes of Hansard when you begin.

Mr. Joe Gunn: Merci, madame la Présidente. I will be brief, because I grew up in Scarborough and we know how well-behaved people are, from Scarborough.

I want to thank you very much, the members of the committee, for allowing us to be here, representing Ontario's major interfaith anti-poverty coalition, which is called the Interfaith Social Assistance Reform Coalition, or ISARC. We represent Ontario's major faith groups: Jewish, Muslim, Christians and others. I serve as executive director of Citizens for Public Justice. My name is Joe Gunn. Our organization is a 53-year-old faith-based charity that works on public policy in the area of poverty as well.

What I wanted to start with is a short example of what CPJ does. With ISARC, we've done hearings across the province with people living in poverty, because we're convinced that not only do we have to convince you, but

we have to convince members of our community that things can be done to look at issues of poverty.

So we've had hearings across the province, and a wonderful experience here, most recently, in Ottawa with a woman I'll call Mary, who was living in poverty because she came to Ottawa, fleeing a violent situation. She was forced to spend all of her money—any money that she had—before she could get social assistance. She couldn't find good housing.

The thing that broke her heart, and her story to us, was she went out after church one day and some people invited her for coffee. She didn't have money for a coffee, and she broke down crying with them and had to explain what she was living through. Shortly after that, Mary was miraculously saved from poverty. She turned 65. She started getting government supports. She found a supportive housing situation. For her, it was like a miracle that allowed her to participate in the community in a way that we think would be dignified and that we should all enjoy.

I think this shows us that we can have an impact. Public policy, government policy, does have an impact and should have an impact. For ISARC, of course, poverty is not an abstract issue. You all know, in your constituencies, that our faith groups work face to face with people in desperate need for food, shelter, clothing and other basic needs.

We know that poverty is bad for the economy. We know that there are hidden costs of poverty. The Ontario College of Family Physicians has reported that poverty is “a risk to health equivalent to hypertension, high cholesterol and smoking.” So we sincerely believe that, ultimately, a budget is not just about allocating sums of money for different programs and services, but it's really a moral document. It reflects that which we truly value. We urge the government to be guided by the value of inclusion, making sure that no one is left on the margins of society.

You have our brief entitled *Making the Best Investment Possible: People*. ISARC feels that this is the heart of the issue before us. We need to see real poverty reduction in Ontario. We were delighted, like many others, with the passage of the Poverty Reduction Act six years ago. We unfortunately haven't seen all of the progress in actually alleviating poverty that we had hoped would occur as a result.

Our brief explains a few of the examples of hardships that people in poverty are still experiencing. We heard Mike Bulthuis of the Alliance to End Homelessness a few minutes ago, telling you this morning that we actually have 10,224 households in this community in Ottawa on the waiting list for subsidized housing.

Aside from the human suffering, which is not at all a minor thing, poverty affects us all. There are all kinds of hidden costs with homelessness, poor housing conditions, people eating poorly, kids having trouble in or prematurely leaving school. ISARC has met with government leaders many times, but we hear a common response that even the politicians share our goals that

everybody should live in dignity, that government needs to do more. We run up against this wall and we hear often, “We can't do more because of the deficit.” Frankly, we don't accept the argument that the cupboard is bare when it comes to providing resources for poverty reduction. You don't hear of faith communities walking away and running and hiding when people come to us in need. Politicians shouldn't do that either. Governments and societies can always find the resources we need if we have our priorities straight.

The churches and faith communities involved in ISARC outline a range of tax measures that could help raise funds for poverty reduction. We're well aware that the word “taxes” sometimes is controversial, even in our own communities. But for us, really, the issue is—and I think we'd agree—are taxes fair, and then, how are the revenues spent?

There are a few suggestions in our brief. For example, a suggestion: The price of gas has dropped in recent months—we've all realized that. If we were to put a three-cent increase in Ontario's gas tax, we could raise \$480 million. We in Ontario have one of the lowest corporate income tax rates in North America. If we even put those rates back to a 2009 level, there would be \$2.5 billion available to government. We don't even have to go that far.

With the revenue, our faith communities believe that we should raise social assistance rates for single people by \$100 per month and that there should be other increases for families. We know that current rates are so low that people are forced to rely on survival programs and food banks in my church, for example. The numbers keep growing.

Secondly, we think public dental benefits are a good idea—maybe we could start that by 2018—and affordable housing: You've all heard the need for that, and we would reiterate that.

A further point that I think the committee should definitely recommend, which you will not find in the brief but is an initiative that wouldn't cost the province a cent but would be a helpful signal to show low-income families that Ontario cares: You know that we are awaiting an April budget from the federal government. They ran on a platform of having an improved Canadian child benefit. We hope to see that type of measure come forward with details in April in the budget, but I'd ask this committee to ensure that all of Ontario's children, regardless of the source of their parents' incomes, get the full benefit of anything that the federal government creates in their April budget. How could we do that? Specifically exempt federal child benefits from social assistance incomes and ensure that either Ontario Works or ODSP benefits are not clawed back or restructured.

1110

How we choose to control costs in the short term can have long-term consequences. At the same time, programs that have a proven success should be seen as an investment in the future of all people in Ontario. ISARC encourages you and all of us to make the best investments we can in people. Thank you.

The Chair (Ms. Soo Wong): All right. Thank you very much. I'm going to turn to Mr. McDonnell to begin this round of questioning.

Mr. Jim McDonnell: In our office every day we see people coming in. One of the biggest issues we have is the cost of electricity. People who were very well set up, had retirement plans or lost their jobs and used to be able to survive quite well at home are now basically choosing between food and electricity. The programs aren't there; they don't catch them. We just don't have the funds. Do you see that all the time in your own life?

Mr. Joe Gunn: Absolutely. I would imagine that the cost of electricity could increase; I think with the interest that faith communities also have, that we take our environmental responsibilities seriously, that may very well increase. It looks like Ontario is moving that way and the federal government wants all of the country to move.

What we have to do is we have to make sure that with the revenues we get through a cap-and-trade system or whatever it might be, there is special attention to the people it will affect most. We actually have seen in other provinces that you can defend northern communities or rural communities or people living in poverty by making sure that those rate increases don't hurt the most vulnerable among us. I think there has to be particular attention to that.

Mr. Jim McDonnell: In Cornwall especially, we used to have a number of large employers where, when I was growing up, right out of high school, you could get employment. These companies have all left.

We see businesses coming in; they'd like to stay or they'd like to grow, but we're talking about a province where you have the highest property taxes in North America, you have the highest electricity rates in North America and the highest payroll taxes in North America. It's hard to convince people to invest, come and look at hiring people. And the regulation makes it very difficult to hire low-income people with possibly low education levels because if something happens, they have to keep them employed. So they don't even look at them, and they go, of course, to more educated people, where many of these people could do a very good job and would do a good job, and have in the past.

Mr. Joe Gunn: It's an issue that we struggle with too in faith communities. We have to be able to suggest to people that we have to look at some of the causes of poverty down the road and we have to look at why people can't get good employment and so on.

It seems to me that looking at taxes, as I mentioned in the brief and as the ISARC community has looked at, it's really important for us to be able to do that education for people. Taxes are what we pay to have a democratic and well-functioning society. You find that people of faith are those people who volunteer more often in the community, donate more often than other people in the community, and I think we should also be the people who are prepared to pay our taxes more readily.

But again, we have to see the benefits of those kinds of things, so that's why they're suggesting certain increases for those kinds of people who really are the most vulnerable. In many of our faith communities, frankly, we know people are getting older and the communities are getting smaller. It can't be left to that remnant of good folks.

The Chair (Ms. Soo Wong): Mr. Walker.

Mr. Bill Walker: A couple of real things came out for me in this survey. You mentioned poor housing and the ongoing planning and study of affordable housing. Can you just share with us some numbers as far as the commitments the government has made and not actually gotten to? I'm the critic for long-term care, and I challenged them on a very similar thing. They make a plan, they study the plan, they put out a number, and yet when you challenge them and say, "Where are the numbers? When are you planning to do this?", I don't get anything. Do you have that type of numbers, that we're actually below where you believe we should be for housing?

Mr. Joe Gunn: I know that there's a section in the ISARC brief that talks about it. I think there was also an earlier brief that might be interesting for you. The Alliance to End Homelessness spoke of that as well. I think that should be made available.

Really, the numbers that were provided in Ottawa are stark. We have a number of faith communities, for example, in this city that are actually trying to redo buildings—or take away parking lots, in one case—to build affordable housing. There are communities that are able to do that as we need fewer church buildings and so on, but that's a drop in the bucket.

We have had situations in city hall where we've had faith leaders—bishops, archbishops, imams and everybody else—trying to get together. Everybody agrees that something must be done, but frankly, the need to have—I think it was mentioned this morning—5,000 severe cases and 10,000 on a waiting list is not good enough for Ottawa, for sure.

Mr. Bill Walker: I know you referenced that the sale of Hydro One will exacerbate Ontario's financial position. Again, our concern that we've been trying to get out—certainly the public is saying it to us—is that there's a \$700-million revenue source that we're going to lose when they get rid of this. Again, that money could have been going there.

I note you made a reference to the ORPP, the registered pension plan. Again, one of the concerns that I'm certainly hearing is that we're going to duplicate that bureaucracy. Again, that money could be going into these much-needed programs and services.

The Chair (Ms. Soo Wong): Okay, Mr. Walker, I'm going to need to stop you.

Thank you, Mr. Gunn, and thank you for your written submission. Have a great day.

OTTAWA HEALTH COALITION

The Chair (Ms. Soo Wong): The next group coming before us is the Ottawa Health Coalition. The Clerk is

coming around with the written submission for the committee. I believe we have Albert Dupuis, Mary Catherine McCarthy and Nancy Parker. You're all welcome to join us at the table. Welcome, and good morning.

As you've probably heard, you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from the official third party. When you begin, could you please identify yourselves for the purposes of Hansard.

Mr. Albert Dupuis: Thanks very much for having us. My name is Albert Dupuis. I'm the current co-chair of the local coalition, the Ottawa Health Coalition. With me to my left are Nancy Parker and Mary Catherine McCarthy.

I imagine that people on the committee are familiar with the Ontario Health Coalition and other local coalitions around the province, but just to reiterate, we are an advocacy group composed of people who work in health care, community members, retirees and interested community groups who believe in the feasibility and the necessity of a publicly funded, publicly administered health care system.

Today we're going to begin by telling a couple of stories that relate to the real, significant and continuing hospital cuts that have been happening over the last nine years and especially over the last four. I'll begin by asking Nancy Parker to speak, please.

Ms. Nancy Parker: Good morning, everyone. Thanks very much for the opportunity to speak. I've become a new member of the health coalition as a result of my experience with my husband's illnesses. He suffered a heart attack a year ago November, and that was followed by some very serious complications. He has been at the Ottawa Civic campus in emergency on five different occasions. All except one visit required him to eventually be admitted to the hospital, and I'll explain to you why I say "eventually."

The most recent visit happened in May 2015. We arrived on a Tuesday afternoon at approximately 2 p.m., and emergency was once again very packed. Given his medical condition, I assume, he was processed quite quickly and moved to the observation area. For those of you who might not be familiar with the observation area at the Ottawa Hospital, it's a large space with the nurses and the doctors in a central hub and a number of cubicles that surround that area for the patients. I think there were 15 of the cubicles.

1120

The cubicle is a curtained-off small area. You have a hospital bed, you have the table and you have a chair. There's not a lot of space. You often need, in fact, to step outside when the medical practitioners come in, to make room for them. There's absolutely no privacy whatsoever. Private conversations between doctors and patients, doctors and nurses, and patients and families are easily overheard. The sound of patients in pain is often very loud and chilling. There was a young man who had come in with a fracture, and they were trying to stabilize the

fracture while we were there. It was bone-chilling to listen to him screaming.

This is all extremely difficult to deal with when you're already dealing with a serious health condition of a loved one. By 4 a.m., they told us that he would eventually be admitted to the hospital. Unfortunately, it might be a bit of a wait because there were five to seven patients ahead of him waiting to be admitted to the hospital. By 4 a.m., I was pretty exhausted, and I thought, "I need to go. I need to stay strong and I need to be prepared for him." So I made my way home.

On my way, I realized that I was going to be facing yet another expensive parking bill. We had come and had had difficulty finding parking. I parked further away from the emergency. Because it was so late, I moved my car, later in the evening, closer to emergency. By the end of the day, I was facing a \$26 parking fee. That was just for one trip. You add on your meals, your coffee and whatever; it can be pretty expensive.

In my husband's case, as I said, five trips—at least four where he was admitted—and he stayed anywhere from five to nine days on each visit. The money starts adding up pretty quickly. Eventually, he was moved to a room late Thursday afternoon. That was almost 48 hours after we arrived on the Tuesday. He was told that he would need to have more tests but he would have to wait his turn. That was Thursday. He wasn't able to get his tests until Monday, so he ended up spending yet another weekend in the hospital.

It's challenging to keep him there because he can see the patients on the stretchers and he can see the older people who need beds. We've learned, since, that he has emphysema and he would need to be referred to a respirologist. This was in May. The first appointment that he was able to get to see the respirologist was early December. It's really difficult to watch a loved one having a hard time, having difficulty walking across the room. The sad thing is, I know he's not the worst. I know there are many other people left there that have endured a lot worse than he has.

Cuts to staff and beds and resources are having an impact. The government can't just keep relying on donations from people or putting profits before patients or budget lines. Canada is a better country than this. Please. We ask that you do what you can so that you can ensure all will receive access to the public health care system.

Mr. Albert Dupuis: Mary Catherine?

Ms. Mary Catherine McCarthy: Thank you for the opportunity to tell my story. My mother turned 90 in March 2015 and was still living in her own home with my sister, who was her key support, along with a few hours of home care each week. She had Parkinson's disease, but was still able to walk, sometimes with a walker. She also had celiac disease and some dementia.

On Easter Sunday, she fell and was taken to the Civic campus of Ottawa Hospital, where there was going to be such a long wait that she had to be transferred to the General campus. She had broken her hip and needed surgery.

On the hectic orthopedic ward, she received good care from the nursing and support staff. As she was healing, she received some physiotherapy, careful attention to her gluten-free diet because of her celiac disease, and her medication for Parkinson's.

There were no beds available in the alternative-care ward, where people can recover more from the surgery and be removed from the orthopedic floor. She should have gone to an alternate-level-of-care ward, where she could continue healing and receive physiotherapy.

We met with staff, who coordinated her transfer to a nursing home. Our first four or five choices were not available because of long waiting lists, so we had to accept the first available bed, in a less-than-desirable facility. We knew that she was not going to be able to go home.

In the long-term-care facility, the staff were uninformed about her condition, and they were unprepared to care for an elderly woman recovering from hip replacement surgery. They commented that they normally would not have to care for somebody with her needs.

We made sure that a family member was present at mealtimes, to make sure that her diet was adhered to, as Mom was no longer capable of being vigilant about her food.

Often when we went there, the staff on duty did not know about her condition. They did their best for Mom, but the high workload, combined with part-time staffing, meant she didn't receive the consistent care that she needed. The staff were also dealing with an enteric bacterial infection outbreak on one of the wards, putting more stress on the facility.

The second nursing home was a little better, with more consistent staffing, but they still were not properly prepared to help her. She died on June 3, two months after her fall. She didn't walk again.

My mother was more fortunate than many, to have family close by who could advocate for her and assist in her care. Physiotherapy and medical professional care were reduced to less than once per week in the long-term-care homes.

Recovering in the community or close to home sounds like a laudable goal. However, our hospitals need to be adequately funded so that complex-care elderly patients are not sent out into a community not prepared to give the appropriate care needed.

The Chair (Ms. Soo Wong): Ms. McCarthy, I'm very sorry. I need to stop you here, because I know we're going to be turning to Ms. Fife to ask this round of questioning. I know you have your written submission from your group. I'm very sorry, because we have 10-minute allocations.

Ms. Fife, can I turn to you for this round of questioning?

Ms. Catherine Fife: Thank you very much for coming and for sharing your stories—very emotional. Health care is emotional, right? When you need those services, there are expectations that they are going to be there and that they're going to be compassionate.

I wish I could tell you that your stories were unique. We've heard stories in Hamilton, Windsor, Thunder Bay and Sault Ste. Marie this week that have been consistent. So I don't think that the government can ignore the fact that the freeze on hospital budgets, moving into perhaps the fifth year, is negatively impacting patient care.

You have some numbers, actually, that are really interesting for me, in your presentation—the part where you get to the point where you talk about summary remarks. You mentioned that the Ottawa Hospital has seen approximately \$100 million slashed.

Mr. Albert Dupuis: That's right.

Ms. Catherine Fife: Do you want to talk about that a little bit, please?

Mr. Albert Dupuis: Our real budget is frozen, as you know, which means real dollar cuts.

Ms. Catherine Fife: Operational, yes.

Mr. Albert Dupuis: That's right: global operational budgets. That means real-dollar cuts because of inflation. The budget of the Ottawa Hospital is about \$1.1 billion a year, so if you take 3% of that, we have actually had a succession of cuts, year over year, of about \$30 million in each of those years. We've come up with a total of about \$100 million since, I guess, 2011 or something like that, and that has resulted in some of the numbers you see here, with 250 RN positions and 75 RPNs.

I'm a member of CUPE 4000, the Ottawa Hospital support staff local. We've seen 507 positions eliminated from our staff there. Around the city, we see emergency rooms that are filled with people who are waiting for beds, as opposed to being strictly emergency beds. Nancy's story is not unusual, unfortunately, as you've witnessed around the province.

1130

Moreover, what we see is this neo-liberal economic philosophy that's been pervasive in Ontario and other places, but especially in Ontario, for quite a few years now, probably all of my working life. What we see is basically a \$10-billion or \$15-billion gap, according to Hugh Mackenzie's numbers—and more sometimes—in the amount of taxes that are collected, especially at the corporate level and at the high-end level. It's not because spending on things like health care is increasing as a portion of the economic output of the province; it's basically this policy of continuing to create the so-called climate for investment, which we also know, by way of analysis, is not paying off the way it has claimed.

Ms. Catherine Fife: Certainly, and compromising our publicly funded health care system also doesn't incentivize investment, because that's also a draw. That's the social infrastructure that draws investment into Ontario.

I want to speak to the parking fees because a moratorium has been called by the government. I think that's welcomed by people across the province—that was my perception—but in the north, where parking fees are \$6 a day, it doesn't really have any impact. It was really interesting for me to hear administrators speak out about that because hospitals have become so dependent on parking fees to fund health care that it was not received

positively by the people who are actually on the front lines trying to make sure that patients get the care they need.

I'm glad that you included Hugh Mackenzie's piece. I have to tell you we have made a proposal to the government to increase corporate taxes by 1% in the province of Ontario to directly fund—targeted funding for health care. Ontario has a corporate tax rate that is lower than the state of Alabama, if you can believe that, and I can tell you right now there isn't anything progressive about that.

You go on to say, "Does it need to be this way?" I want to give you an opportunity to propose some solutions here. This government needs to listen to financial recommendations because we'll be debating this issue after today, and then we have two more days in Toronto as well.

Albert or Nancy, do you want to talk about the portion of it that says, "Does it need to be this way?"

Mr. Albert Dupuis: Yes, I can mention very briefly that there's a fairly specific demand that you may be hearing around the province this year and it stems from a very reasonable observation that Ontario funds its hospitals at 25% less per capita than every other region in the country, or at least—that's not correct—compared to the Canadian average. If we lift, for example—and I mentioned this in the brief—hospital funding in Ontario to the Canadian average, you would have, just in Ottawa here, I think \$316 million or \$314 million more for Ottawa hospitals alone, which is about a third of the budget of our huge Ottawa Hospital, which is, like I said, \$1.1 billion. That's a third of the Ottawa Hospital budget or equal to a small hospital.

Ms. Catherine Fife: That would be a significant game changer for Ottawa.

Mr. Albert Dupuis: It would be huge.

Ms. Catherine Fife: It's actually \$312 million, as per your report.

Mr. Albert Dupuis: Yes.

Ms. Catherine Fife: Finally, I just want to say thank you for raising the issue of privatization. The Auditor General has raised this with this government. In her latest report just this fall, for the CCACs, 61% of the funding is going to direct patient care, but the other 39% is going to administration and more bureaucracy and profit—

The Chair (Ms. Soo Wong): Okay, Ms. Fife, I need to stop you here.

Ms. Catherine Fife: Thank you very much for being here today.

The Chair (Ms. Soo Wong): And thank you very much to each one of you for being here. Ms. McCarthy, I'm very sorry about your loss. Thank you for your written submission.

I'm just going to call out to see if the Orléans Chamber of Commerce is here. They're not. I'm going to do a little recess until that witness comes forward. Don't go too far.

I was told by the Clerk that at 4:15, we have the Victorian Order of Nurses of Canada. The CEO, Jo-Anne Poirier, is coming to present.

I'm just going to recess the committee. Please do not go too far, because they are scheduled for 11:45. I'm going to reconvene the committee the minute this witness comes forward, because after the next witness, we're going to be recessing for lunch. Okay? So please do not go too far, because the minute that next witness comes in, I'm going to reconvene the committee. Is that fair? Thank you.

The committee recessed from 1135 to 1150.

The Chair (Ms. Soo Wong): Okay, I'm going to reconvene the committee. I'm going to do one more call for this particular group because it is now 11:50 and they were supposed to be here for 11:45. For the record, is the Orléans Chamber of Commerce here?

Seeing no one, I'm going to recess the committee until 1 o'clock for lunch. We will be back here for 1 p.m., committee members. We're recessed until 1 p.m.

The committee recessed from 1151 to 1300.

ALTERNA SAVINGS AND CREDIT UNION LTD.

The Chair (Ms. Soo Wong): Okay, I'm going to resume the Standing Committee on Finance and Economic Affairs. Good afternoon. Welcome back to Ottawa.

The first group before this committee is Alterna Savings and Credit Union Ltd., and José Gallant. Good afternoon. Welcome. I'm not sure you were here for this morning's sessions. You have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from the government side. When you begin, please identify yourself for the purposes of Hansard.

You may begin anytime.

Ms. José Gallant: Thank you. Madam Chair, committee members, it's a pleasure to be here. My name is José Gallant. I'm the chief administrative officer of Alterna Savings, and we're based right here in Ottawa.

Firstly, I would like to thank you for the opportunity to participate in this consultation, and for the government's continued support to the credit union sector. As you may know, credit unions play a vital part in Ontario's economy, often being the only financial services institution in smaller communities, and align with the government's vision to invest in people and support a dynamic business climate in the province. Credit unions strengthen the health of our economy, in particular small and community-based businesses, by financing innovation and growth.

I'm proud to say that Alterna Savings has been serving our community and our members since 1908. Alterna is one of Ontario's largest credit unions, with approximately \$3 billion in assets. We're owned by over 100,000 members and we have approximately 500 employees. We provide financial services to our retail and commercial members through 24 branches across Ottawa, the GTA, Kingston, Pembroke and North Bay.

I'm here because I believe credit unions are in a unique position to help grow the economy and create jobs

in Ontario. That's because our focus is on local prosperity. Our goal is to improve the financial well-being of families, local businesses and community organizations in the areas that we serve. We invest resources where our credit union members live and work. At Alterna, approximately 85 cents of every dollar is reinvested back into the local community in the form of personal and commercial loans and mortgages to Ontarians. We also help our communities through partnership with non-profit organizations, sponsorships of community events and grants. In 2015, we participated in and offered financial support to over 160 community events.

Part of our earnings are used to provide economic opportunities for marginalized groups. For example, our micro-finance program is a unique lending program focused on access to business credit for small and developing businesses through community-based micro lending. Securing credit and accessing banking services are major roadblocks for many Ontarians, particularly women, youth and newcomers to Canada looking to start a business. Alterna's micro-finance program finds an innovative way to assist these marginalized entrepreneurs. This past year, we celebrated 15 years of strengthening communities through our unique micro-finance program. To date, the program has provided 700 members with over \$3.9 million in micro-loans. It has helped to create jobs, increased the income of micro-borrowers, and reduced reliance on government income-support programs, all by supporting the growth and expansion of micro-enterprises in our communities.

To give you an example, one of these happy members is Marcia Francis. A single mother with poor credit and no savings, Marcia was working two jobs and struggling to be a provider for her four children. She was determined to make a change in her life, and with a little help from Alterna's community micro-finance program, Marcia was able to make a big change possible. Today, she is the founder and owner of Freedom Support Services, a successful Toronto health care services company which offers at-home care for seniors and people with chronic illnesses and disabilities. Her company has generated over \$1 million in sales and employs over 50 people. Her company flourished with an initial loan of \$5,000 and financial advice that Marcia says she would not have received from any of Canada's big banks.

At the provincial level, credit unions as a whole are a large and growing player in the Ontario economy. As of November 2015, Ontario credit unions that are part of Central 1 have total loans of \$34.1 billion and total deposits of \$32.3 billion.

As you know, this is a very important year for credit unions. The legislation that regulates us is in the process of being reviewed, and we're expecting to hear the fruits of that review any day now. I'd like to thank Ms. Albanese for all of the work she's done in that regard.

Our policy submissions to the current government have encouraged Ontario money to be reinvested back in Ontario, but financial services face global competition for investment and talent. To continue on a path of

growth benefiting businesses and families across Ontario, credit unions will need to explore new ways of differentiating ourselves and capitalizing on opportunities in order to have a sizable impact.

I want to take a moment to reiterate a few opportunities that are of particular interest to us, for your consideration in your upcoming budget.

First, we would ask the government to show confidence in the strength and the stability of the credit union system by increasing the deposit insurance for credit unions in Ontario. To increase our market share, credit unions require new and additional sources of liquidity, including an ability to grow deposits. The Deposit Insurance Corp. of Ontario provides insurance coverage to credit union members to a maximum of \$100,000 for non-registered accounts, and that's the lowest rate for credit unions in North America. New Brunswick, Nova Scotia, and Newfoundland and Labrador each have a \$250,000 limit, while every province west of Ontario provides unlimited deposit insurance for credit unions.

Banks also have \$100,000 of coverage, but that is based per account for each subsidiary, meaning that bank clients can double and triple up on their insurance coverage. Banks also operate extra-provincially, meaning there's no guarantee that money will stay in the province.

We believe that raising the level of deposit insurance to \$250,000 for non-registered deposits in Ontario would encourage more deposits to be kept in Ontario with local institutions and help to level out the competitive playing field.

Second, we ask that you align the ability of credit unions to accept deposits in the MUSH sector. We think it makes good sense for municipalities, universities, schools and hospitals to keep deposits with local financial institutions. Unlike chartered banks, credit unions do not have a credit rating or bond rating, and this is often a prerequisite for the MUSH sector to make deposits in a financial institution. Meanwhile, the cost of getting a credit rating for a credit union is often prohibitive and it's difficult to justify for our size of institution.

We believe that increasing the deposit insurance limit to unlimited coverage would replace the credit or bond rating requirement for deposits in the MUSH sector and will remove a significant barrier for credit unions to access this source of liquidity. These deposits, of course, will be reinvested right here in the province.

Third, we wish to applaud you for not raising the provincial tax rate on credit unions as was done by the federal government in 2014. Today I want to strongly encourage you to maintain our present tax rate. As credit unions are the small businesses of the financial services industry, this makes good business sense. Contrary to banks, capital for credit unions is built mainly from retained earnings, a fact that was recognized long ago when the credit union tax deduction was put in place.

Our inability to access public markets for capital is still a reality today, which is why it is so important that the tax deduction remain in place. An increase to our tax rate would be an unnecessary burden to our capital in an

already difficult economic environment. It will be extremely difficult to replace this capital, which would limit our ability to grow. To illustrate, we estimate that if the provincial tax rate was increased, it would result in a decrease of \$266 million in loans to households and small businesses across Ontario.

Our time today is limited so I'll leave it at that, but I just want to reiterate that the credit union difference is all about service to our members and our community. This means driving community and economic impact as well as pioneering innovative approaches to banking, and with the changes I've outlined today, credit unions will be better positioned to thrive as an integral part of Ontario's economy.

I thank you for your time and consideration and I'd be pleased to take your questions.

The Chair (Ms. Soo Wong): Thank you very much. I'm going to turn to the government side and ask Ms. Albanese to start this round of questioning.

Mrs. Laura Albanese: Thank you very much for your presentation and for giving us an idea of what credit unions do in the province, specifically your credit union.

As you mentioned, I have been conducting the review of the act that governs the credit unions and the results should be expected very soon. I look forward to sharing the recommendations that I have given to the minister.

I was wondering if you could, for the benefit of the committee, explain how credit unions help small communities in different parts of the province. For example, during my consultations, I learned that in many communities in the north, banks have pulled out, and the only help that small businesses or families especially have is from a credit union. So you play a unique role and a specific role in different parts of the province—if you could explain that.

1310

Ms. José Gallant: Absolutely. Credit unions are co-operatives, so they're member-owned. The credit union really looks to provide the benefits of their existence back to the members in their communities. While a bank may close or may look only to profits for the decision of maintaining a branch in a specific location, credit unions don't operate in the same manner. As long as it can provide benefits to their local community, and as long as they're able to sustain themselves as the regulations would require, they will stay as a rooted part of the community, to help their members.

As an example, I'll just speak for Alterna. There was a bank that closed in Pembroke, and Alterna purchased the assets of that particular location and we're operating it as a co-operative today. That was, I would say, about 15 years ago. You can see that we're perpetuating something in a community that maybe wouldn't have existed if the co-operative had not stepped in.

Mrs. Laura Albanese: You mentioned that the credit unions need new sources of liquidity. Can you explain why, in more detail?

Ms. José Gallant: Liquidity is most important because, for us to be able to provide loans and mortgages to our members, we need to bring funds in. We're not able

to raise that money through capital markets in the same ways that banks do. We must raise it through deposits or through, for example, securitizing mortgages.

But as you know, those types of transactions are somewhat limited, because not all mortgages would qualify for securitization through the CMHC's CMB program. So being able to gather deposits from Ontario-based businesses, institutions and individuals is very key for us to be able to reinvest back into the community with those funds.

Mrs. Laura Albanese: You mentioned the micro-finance program that you have. Did I understand correctly that it's about 15 years now that it has been running?

Ms. José Gallant: Yes, indeed.

Mrs. Laura Albanese: My understanding is that you're able to help individuals or entrepreneurs who would not otherwise have qualified for loans.

Ms. José Gallant: Yes, and I've described to you, in my remarks, a member who has had a loan with us for several years and was able to build a business that was quite successful.

A few years ago, we did a study with Carleton University with regard to the impact of this program on the community. I can't recite the specific statistics to you at the moment, but I can tell you that the majority of those who went through this program were able to get off social assistance, and were able to better feed their family and had a better diet for themselves. Many of them became homeowners. Many of them really improved their quality of life and still operate their businesses today. So it's really creating a difference, and we're really proud of that.

Mrs. Laura Albanese: I think my colleague Marie-France had wanted to ask something specific. You wanted to know how many—sorry?

The Chair (Ms. Soo Wong): Mrs. Lalonde?

Mrs. Marie-France Lalonde: How many people actually, let's say, in Ottawa—do you have numbers of how many people were able to benefit from this particular program that you offer?

Ms. José Gallant: I don't have the breakdown by city, but so far, we have helped 700 members, mainly across the GTA and Ottawa, for \$3.9 million. The maximum amount of the loan is \$15,000, so it's a lot of people.

Mrs. Marie-France Lalonde: Thank you. Merci.

Mrs. Laura Albanese: Thank you very much.

The Chair (Ms. Soo Wong): Thank you very much. Before you leave, Ms. Gallant, you have until Tuesday, February 2, at 5 p.m., to submit anything in writing. I believe you've just heard some of our colleagues' questions. If you can, in your written submission, include that information, it would be very helpful. Thank you for your presentation, and have a great day.

Ms. José Gallant: Thank you very much, committee members. Thank you, Ms. Wong.

WEST OTTAWA BOARD OF TRADE

The Chair (Ms. Soo Wong): The next group coming before us is the West Ottawa Board of Trade: Rosemary

Leu, executive director. There's another presenter as well: Rick Chase, the chair of the economic development committee.

Good afternoon. Welcome. As you've probably heard, you have 10 minutes for your presentation, followed by five minutes of questioning. In this round, the questioning will be coming from the official opposition party. When you begin, if you can identify yourself for the purposes of Hansard, that would be great. Thank you.

Ms. Rosemary Leu: Good morning, everyone. My name is Rosemary Leu. I'm the executive director for the West Ottawa Board of Trade. The chair of my economic development committee will make our presentation this morning, but I would just like to make a personal thank-you to the committee for coming to Ottawa and listening to the voice of business for half of our nation's capital. Thank you for that.

Mr. Rick Chase: I'll echo Rosemary's comments as well. Thank you very much to the committee for coming to Ottawa, and thank you to the Chair of the committee for being here. I know that's probably how everybody starts their presentation; if they don't, then they should.

The West Ottawa Board of Trade is an over-600-business-member organization, just to the west and, primarily, the majority of the west side of our nation's capital here in Ottawa. The West Ottawa Board of Trade was formerly—a little bit of the history of us—the chambers of commerce for Nepean, Kanata, Goulbourn and West Carleton, so we have a great mix of members, urban, rural and suburban. It really gives us a unique perspective, and hopefully we can share some of that perspective here today with the committee.

Our hope is that you understand that we're not a polished advocacy group by any means, with rehearsed talking points, but hopefully we can share some perspective from the small and medium businesses that this finance committee does have quite a bit of scope and influence for.

With that being said, our primary focus within the organization is networking, education and business-to-business benefits, as you'd find with chambers of commerce across this province. By virtue of osmosis in the nation's capital, we do take on an advocacy element for our members as well, primarily with the municipal government, but from time to time we do have this great opportunity to bring the message beyond municipal government to a committee such as yourselves, so, again, a message of thanks.

When we talk with our members, one of their primary concerns at this stage is ORPP. I know that this is not the ORPP committee, but we would be remiss not to bring that message forward with the amount of horsepower that we have in the room today. Our members would think that we weren't doing our jobs and I wasn't doing my job as a volunteer if I didn't at least bring this forward.

Our members are mostly concerned in a couple of capacities. As the ORPP has been presented thus far, their concerns are with competitiveness—we border the province of Quebec; there are some competitiveness

challenges that could arise from a labour market perspective. There's also the challenge—and let me just say that I don't hope to present to you something as detailed as Advocis did this morning. They would have the facts and statistics far more than what we do, but we do partner quite closely with the Ontario Chamber of Commerce to hopefully back up some of what our grassroots members are telling us and put some statistics behind it.

That being said, the Ontario Chamber of Commerce found that 44% of Ontario businesses would look at adjusting their payroll if the current proposed ORPP is brought forward. With that being said, they also recognize—as do we and as do our members—that change is still not a bad thing. How do we effect that change? They're asking us to bring the message forward: How can that change be done in a way that's going to keep them competitive? And if they're already doing something, going above and beyond what many businesses do for their business in terms of RRSP plans and doing something in terms of pension already, that competitiveness is there and that a matching plan be considered—again, we would change the scope of the ORPP slightly.

Outside of that, they would also ask us to bring to this committee that the government look toward working with the federal government for enhancements to the CPP, potentially in lieu of even moving forward with the ORPP. Again, I recognize that this is not the ORPP committee, but I did want to bring that message forward from our members, so thank you for listening to that.

In terms of Ottawa, it's a very dynamic and changing landscape from the Ottawa that many of us remember and the Ottawa that I grew up in. I would say that on the West Ottawa Board of Trade—and Rosemary has done a great job with this—we have people, process and performance. We put that on the board every time we look at any project or any partnership that we look to have. We wanted to bring a third-party perspective because we know that this is day five of many presentations from many different organizations, and some from here, directly from Ottawa, with a request for partnership quite a bit.

1320

We wanted to bring the committee the message that Ottawa is there. We have the people in the right seats, driving the right buses, in the right environments. These are organizations such as our economic development here in the city of Ottawa, Ottawa Tourism, Invest Ottawa and our 2017 committee. They have the right people, but more than that, the right people have put the right processes in place and they have most certainly now started to have the performance to back up what they're doing, and they're showing results.

We would be remiss to try to present to you everything that they have—we know that, again, it's day five, and you've had a long presentation—but we wanted to bring you that third-party perspective that Ottawa is there. When you're looking for partnerships, these other organizations that are presenting to you, from our

grassroots third-party perspective, are worthy of your partnership.

With that, I'll close—again, just to share that we're very thankful that the committee is here. We're very appreciative of that and we're very appreciative of being invited here, as well, to speak and share the perspective from small and medium business here in Ottawa. Thank you again.

The Chair (Ms. Soo Wong): Thank you very much. Just so you know, Ottawa Tourism is coming to us at 3:15, so you're welcome to stay.

Mr. Rick Chase: Ah, perfect.

The Chair (Ms. Soo Wong): I'm going to turn to the opposition party, Mr. Walker, to begin this round of questioning.

Mr. Bill Walker: Thank you very much, Rosemary and Rick. You've raised a lot of very valid points. I'm from a rural area in Bruce-Grey-Owen Sound as MPP, so not only do I hear from the grassroots, but from those small business people. The chamber of commerce and the Canadian Federation of Independent Business are echoing exactly what you're saying in regard to the ORPP. It's very concerning for our business community what's going to be the end result of this. As you say, wage reviews are going to happen. A lot of people are suggesting that they now give their employees RRSPs as part of it, and they may have to scale those back to be able to afford to do this mandatory benefit. So it's very disconcerting for us. The competitiveness is obviously a critical piece.

I think the other thing that we're starting to hear more and more in the community is that the government may actually impede the federal government doing an enhancement to the CPP. What I'm hearing from a lot of my constituents is that they don't want to see an identical bureaucracy created at the provincial level that already exists at the federal level, if you can actually just enhance it. Rather than thinking that they're being leaders by imposing this and using the spin that it's going to take care of everyone's retirement, there are other ways to do this.

Certainly, the Premier pushed very hard against Prime Minister Harper to just enhance the CPP. I'm hoping that she's going to do the exact same thing, in this case, with the new Prime Minister. We don't need a duplication of service. We don't need another bureaucracy. We need to do what's best in the minds of businesses and our regular constituents and taxpayers. It was very refreshing to hear your view on that. I think that partnership piece is good.

The other thing, I think, that needs to be brought to light is hydro rates. A lot of things that we've heard, certainly in my time here and earlier in the committee, is that those things are having huge impacts on our business community as well. How are they going to adhere to a doubling and tripling of hydro rates, going forward, plus the ORPP? It's challenging enough in the business environment in today's climate to make a go of it. So I think what we're hoping, from your perspective, is that you'll continue to use your advocacy. Whether they're

scripted points or not, I think it's always good to hear from you at the grassroots and the work that you do on behalf of your membership.

I don't think this is significant to just Ottawa; I think it's what we're hearing across the province, whether it's in Windsor, northern Ontario, or a riding like mine or Jimmy's in Cornwall. A lot of small business people are really worried about what's going to happen with this ORPP, with hydro rates. We hope the government is listening, when they think of their budget. Rather than partisan, political thoughts, it should be what's best for Ontarians and ensuring that we've put regulation and legislation in place to actually encourage business to expand.

One of the things I think is challenging right now is that we have a lot of people coming through the manufacturing industries, through the large business sector, saying, "You're uncompetitive as a province. We're actually looking at other provinces rather than coming to Ontario." We have a lot of small, medium and large businesses saying, "I want to expand, but I'm not certain Ontario is going to be the place." So we need to create that environment. We need to create those partnerships and synergies so that people actually want to invest.

The previous speaker with the credit unions—the opportunity of being innovative and finding the products that people will actually buy into and say, "Yeah, I want to start my own business. I want to expand my own business," and make it enticing for people, as opposed to mandatory things like ORPP, which will I think in the end have a very negative impact to our province. Jimmy, anything to add?

The Chair (Ms. Soo Wong): Mr. McDonell.

Mr. Jim McDonell: Just with your chamber, what are your biggest issues, other than the ORPP, that you have as a chamber?

Mr. Rick Chase: That's a very good question, and I think it probably might be a slightly different answer from the volunteer perspective and a board member than our executive director. Not to put her on the spot, but—Rosemary?

Ms. Rosemary Leu: No, that's okay. I would echo the comments about hydro. Obviously, that's of significant importance to individuals and to the business community.

There are maybe different challenges here in Ottawa, with the size of our geography, where we have a large percentage of the city that is under one hydro, under Hydro Ottawa, and then the more rural community, which is under Hydro One, and the challenges that those businesses face with increasing rates of hydro.

Absolutely, that's echoed, I think, and you're going to hear that from everybody.

Mr. Bill Walker: I just want clarity on that: All sizes of business you're hearing that from as well? It's not just the big conglomerates that we keep hearing about, that they can take this impact. It's the small, little guy. The M&M Meat stores, the Mac's Convenience Stores, that are running freezers 24/7, are saying, "How do I actually do that?" So you're hearing the same thing here?

Ms. Rosemary Leu: I would say more so. In our organization, 80% of our members are small business owners. We have some of the larger businesses, but the majority of our members are those with 10 employees or less. For those guys, their bottom line, with the margins that they have, is significantly impacted by even the smallest thing. Hydro is a big part of it, and the ORPP is a part of it. I mean, a 3% decrease on their bottom line is not a good thing for a small business owner.

Mr. Bill Walker: Thank you very much.

The Chair (Ms. Soo Wong): Okay. Ms. Leu and Mr. Chase, thank you for being here. You have until Tuesday, February 2, at 5 p.m. to send your written submission to the Clerk; okay? Thank you for being here, and have a great afternoon.

Ms. Rosemary Leu: Thank you very much.

The Chair (Ms. Soo Wong): I want to welcome Minister Naqvi.

I believe, Mr. Walker and Mr. McDonell, you've been here this morning. I didn't get a chance to welcome both of you.

Just for the committee members to know, we are actually streaming live—that's what staff told me—to Queen's Park. If you have colleagues who want to watch this hearing today, maybe I'll get the Clerk to give you the website link.

The Clerk of the Committee (Mr. Katch Koch): It's a test. It's not live.

The Chair (Ms. Soo Wong): It's a test. It's not live.

Ms. Catherine Fife: Nobody is really watching.

The Chair (Ms. Soo Wong): I don't know. Somebody may be curious. All right, so I just want to let people know it's being tested—

Interjection.

The Chair (Ms. Soo Wong): There are interested people out there.

OTTAWA-CARLETON DETENTION CENTRE

The Chair (Ms. Soo Wong): The next group coming before us is Ottawa-Carleton Detention Centre. Mr. Denis Collin, I believe, is the local president. Mr. Collin, welcome.

Mr. Denis Collin: Thank you.

The Chair (Ms. Soo Wong): Good afternoon. As you probably heard, you have 10 minutes for your presentation, followed by five minutes of questioning. In this round, questioning will be coming from the third party. You may begin at any time. When you begin, could you please identify yourself for the purposes of Hansard. Thank you.

Mr. Denis Collin: Good afternoon. My name is Denis Collin and I have worked as a correctional officer in the province of Ontario for the last 19 years. I'd like to thank Catherine Fife for saying hello on behalf of Jennifer French. Minister Naqvi, thank you for attending and listening to my report, and Madam Chair.

I am presently the elected OPSEU Local 411 president at the Ottawa-Carleton Detention Centre. I would like to present to the committee areas within the Ministry of Correctional Services that could use focused input of financial resources.

Over the past year, we've been speaking out in regard to the crisis in corrections that is occurring in Ottawa and around the province of Ontario. This crisis has been in the making for many years and, so far, little has been done to stop it. Over the past several years, the media has been actively reporting on riots, violence within the jails, deaths of offenders, failure of buildings and security systems within our newest facilities, high-risk offenders in the community not receiving the level of supervision needed and, most recently, a hostage taking of a correctional officer in Thunder Bay who was threatened with death.

This crisis has seen severe understaffing in our provincial jails, detention and correctional centres. This has led to increased lockdowns within our facilities. We have seen a significant corresponding rise in inmate-on-staff assaults. Our probation and parole officers carry the highest caseloads in Canada. We are exasperated by the mental health and addiction issues of the offenders, the overcrowding within the jails and the lack of programming, just to name a few.

The crisis is very real and it's compromising the safety of staff, offenders and the Ontarians we serve. I believe there is a commitment from this government to address the crisis, and the union is committed to working with this government to solve the issues that plague our correctional system.

1330

The first step is to secure the needed budgetary resources to deal with the issues head on. The president of OPSEU, Smokey Thomas, has gone on record stating that \$100 million needs to be invested into Ontario corrections to address the ongoing crisis. This infusion of funds is a much-needed start to address the shortfalls and visible failings we see in our line of work on a daily basis.

The first challenge the ministry needs to accomplish is the hiring of a significant number of correctional officers to properly supervise the offenders under our care and supervision. The ministry is in need of approximately 800 officers—300 of them full-time and 500 of them fixed-term—above and beyond any ongoing staff attrition.

We need an infusion of new training officers who can train new recruits year round. New recruits are normally trained at the correctional college in Hamilton, but we need resources and the ability to hold future classes in northern and eastern Ontario. State-of-the-art facilities need to be built to permit new recruits to learn in an environment that is indicative of a correctional institution setting.

Correctional officers need to have up-to-date training so they can continue to use their personal protective equipment, which includes restrictive weapons. Training

for first aid, fire emergencies, use of force, self-defence and mental health training are all needed immediately to allow officers to perform at the highest and most professional level possible. We must make sure we provide our officers with the best equipment and training possible to keep them safe.

Furthermore, when our officers suffer from occupational stress injuries or post-traumatic stress disorder related symptoms due to the nature of our work, we are there to provide them with the immediate resources needed to help them heal.

Additional equipment needed to support and protect correctional officers and probation officers: full-body scanners for institutions to detect internal weapons, drugs and other forms of contraband; protective vests for all correctional officers; additional radios so every staff member has an emergency lifeline while working in an institution; additional MSA to effectively deal with fire emergencies; walk-through metal detectors for all community probation and parole offices; and an improved emergency response network for all probation and parole offices.

The province of Ontario has 26 correctional facilities within its jurisdiction. This is down from 50 institutions just over 20 years ago. Ontario still has jails that predate Confederation, jails built in the early 1900s to the 1960s and the 1970s. Such is the case in Ottawa, which is also in desperate need of a regional intermittent centre due to the growing accommodating sentences handed out to offenders.

Ontario has progressively gone to what is considered a super-jail format, which holds in excess of 1,000 inmates. These super-jails hold over one half of the province's inmate population. The expectation is that it is cheaper to house these inmates, but the province has now taken on a warehousing aspect to deal with a greater number of offenders.

Studies have shown and have been supported by groups such as the John Howard Society and the Elizabeth Fry Society to build new regional facilities that do not exceed 300 beds. This size of facility provides for the offenders to remain within the realm of their community and provides access to families, court and community services, and the greater likelihood of successful reintegration into their communities.

Ontario's newest and largest detention centre is experiencing many significant issues. This model seems to focus more on the profit available to the partnership than the security needed for Ontario's citizens.

Inmate supervision and rehabilitation remain as the core duties and mission statements of institution and community corrections. Within the context of today's crisis in corrections, with severe staffing shortages, overcrowding and probation and parole caseloads at the highest in Canada, inmate supervision and rehabilitation have suffered, and we have failed to live up to those mission statements.

With future investments and resources, we hopefully can turn the corner and provide the appropriate super-

vision and programming needed to assist the offender population. This is why eastern Ontario, our region, is in desperate need of a correctional facility that gives resources to offenders that a detention centre such as OCDC cannot provide. Programming is an important pillar of the direct supervision model and assists the offender to make more appropriate choices. It will help with their eventual return to their communities.

Greater mental health resources are needed more than ever as the province's jails have become the location of last resort to house and care for offenders with ever-increasing mental health and addiction issues.

Probation and parole officers supervise about 56,000 offenders on any given day in Ontario. The Auditor General released a report in 2014 concerning community corrections. The auditor's findings included that 44% of the supervised offenders fall within the high-risk to very-high-risk category, and 60% of this group recidivates during their term of community supervision.

Additional findings were that Ontario spent the least amount of money of any province—it is at a mere \$5.81 per day—on probation offender services, and probation and parole officers carried the highest caseloads. The caseload average is 65 offenders per probation and parole officer in Canada. The auditor's findings would suggest there is a strong correlation between the lowest spending, the highest caseloads and the highest probation recidivism rate in the country.

Various reports state that the caseload averages should not exceed 50 offenders per probation and parole officer to achieve optimum case management results. The province of Ontario needs to hire several hundred more probation officers to achieve similar improved results as experienced in other provinces.

Ontario's corrections record management system is antiquated and does not fulfill the needs of the largest provincial correctional system in Canada. Successful organizations have—

The Chair (Ms. Soo Wong): Mr. Collin, can you please wrap up your presentation so I can turn to Ms. Fife to ask you some questions about your presentation?

Mr. Denis Collin: Yes. My summation would be that the crisis in corrections can be reversed and Ontario can achieve the needed transformation for its correctional services. With appropriately applied and focused resources, the Ontario ministry of corrections can become a leader within Canada. The recommendations provided above will assist the committee in its budgetary decisions. Thank you very much.

The Chair (Ms. Soo Wong): Thank you, Mr. Collin. Ms. Fife.

Ms. Catherine Fife: Thank you so much, Denis. I have to say that at every stop along the finance committee's tour this week, OPSEU has presented, really, a comprehensive overview of corrections in the province of Ontario. It is quite astounding that you have been waiting over a decade for justice. It's somewhat ironic in some respects.

This morning we heard from the president, Elana Lamesse, from the parole and probationary officers

association as well. She even cited the 2014 Auditor General's report, which you also referenced, around the high rates of caseloads, the nature of the offenders and the offenders that you deal with in the jails.

I want to touch on a couple of your points because you've made a point for infrastructure—capital infrastructure, physical infrastructure—and then programming, which is essentially human resources, which makes the difference in our jails, right?

When we were in Thunder Bay, the mayor of Thunder Bay actually called the Thunder Bay Jail a “rathole.” One of your colleagues, Mike, said the officers refer to it as “criminal college.” There's still the presumption of innocence, and some of these inmates are on remand, so you have the most vulnerable, potentially—mentally ill people as well—in with some of the more violent people in our society.

Do you think that this model of these super-jails, which you rightly point out are sort of warehousing—do you think rehabilitation is possible in this model if the funding does not change?

Mr. Denis Collin: No, and the funding must change. There's not enough within programming and there's too much concentration within buildings now that warehouse people.

Ms. Catherine Fife: Yes.

Mr. Denis Collin: When you look at the Elizabeth Fry Society saying that smaller institutions really would work best—I started off at a small jail called L'Original Jail that ended up closing.

1340

I ended up going to Rideau Correctional and Treatment Centre. It was a treatment centre that actually took care of many needs and gave many resources to offenders that would go out back into the community. Then I landed back into the Ottawa-Carleton Detention Centre.

Since then, you see a place like Rideau that ended up closing, and what happened is that all of the resources have gone away from rehabilitation. Ottawa now is not only a detention centre, but we've tried to impose some sort of structure to compensate for that, and it doesn't work. It's either you're a detention centre or you're not. If we really want to go towards rehabilitation in eastern Ottawa, we need a correctional facility for that. Super-jails: If we don't have a correctional aspect with regard to rehabilitation, even within these superjails, we're just making our situation much worse.

Ms. Catherine Fife: The other delegations have also talked about inmate-on-inmate violence and violence against all staff in the corrections.

I toured Maplehurst and Vanier. Maplehurst has almost 1,000 inmates and Vanier is a penitentiary for women. What struck me in both of those—I felt very unsafe in the male correctional because it was so crowded. Three men in a cage: one on the floor, one on a bed and then one sleeping on the very top. Those were the folks who were in protective custody, so the violence there was quite something.

The mental health piece—and I know that you've called for training to deal with the influx of those who are

suffering from mental illness in the institutions. Because there are so few resources out in the community, this is where they end up. I can tell you at Vanier, for some of those women, it seemed inhumane and it seemed cruel that these women were in these institutions in solitary confinement, essentially.

Can you talk about the impact of those inmates who are mentally ill on corrections officers?

Mr. Denis Collin: I know that in Ottawa, the mentally ill are segregated. That's about as much as we can do for them. We need more. They're the mentally ill; they're the most vulnerable in our society. And it not only has an impact on the offender population who are mentally ill; it has an impact on the officers working with them, also. It's very unnerving to work in a situation where you have nothing to offer to a population that you've vowed to serve. You're not doing that. The offenders are locked up and they're given what is provided for them in those areas. A segregation area is a place where you're segregated. You're given a phone call. When you ask for it, you'll have a 20-minute phone call. You'll have a 20-minute yard. You'll have a shower during the week. And that's about the extent of what we do for the mentally ill.

In Ottawa, we're not a correctional facility; we're a detention centre. Therefore, we provide very little in Ottawa when it comes to the mentally ill.

The Chair (Ms. Soo Wong): Ms. Fife, I need to stop you there.

Ms. Catherine Fife: I just want to say thank you for the work that you do on behalf of the inmates.

The Chair (Ms. Soo Wong): Mr. Collin, if you have any written submission, you may submit to the Clerk by February 2 at 5 p.m. Thank you for your presentation.

Mr. Denis Collin: Thank you.

AIR TRANSPORT ASSOCIATION OF CANADA

The Chair (Ms. Soo Wong): The next group before us is the Air Transport Association of Canada. The Clerk is coming around with the written submission. Mr. Michael Skrobica: I remember seeing you before, sir.

Mr. Michael Skrobica: Yes, I spoke here last year.

The Chair (Ms. Soo Wong): I believe so. Welcome again. You have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from the government side. When you begin, can you please identify yourself for the purpose of the Hansard.

Mr. Michael Skrobica: Good afternoon. I am Michael Skrobica. I'm the senior vice-president and CFO of the Air Transport Association of Canada, also known by its acronym, ATAC. My organization is a trade association representing commercial aviation in Canada. It represents 175 members.

Thank you very much for meeting with me today and coming to Ottawa. I am pleased to present on three issues today, and they all stem from the increase of the Ontario aviation fuel tax. ATAC recently commissioned a study

on aviation fuel taxes for all Canadian provinces and territories and all US states adjoining Canada. A summary of the report is attached in appendix A. It indicates that the Ontario tax is uncompetitive in the sense that it is the highest by far in Canada. The only province that comes close is British Columbia, and you have to add in their carbon tax, which is a stated policy area that the province of Ontario is going to avoid, yet you're in the same neighbourhood as a province with a carbon tax. Ontario's 6.7 cents per litre is substantially higher than virtually all US states with the exception of Ohio, and that's a sales tax that includes aviation fuel.

We would ask that you re-examine this program with a view to making Ontario more competitive vis-à-vis other provinces, territories and US states. Otherwise, you're going to have a leakage of passengers going to places that can offer air transportation at a cheaper rate.

The study also indicates that Ontario was unique in levying a fuel tax on international travel. This violates the United Nations Chicago Convention on extra-territorial taxation of fuel, which Canada is a signatory to. Ultimately, this will impact the number of passengers leaking to the United States and negatively affect the level of service at Ontario airports. I would ask that you please review this issue with a view to making Ontario more competitive.

Finally, ATAC has a number of flight schools in its membership: 17 in the province of Ontario. The competitive nature of flight schools is impacted by the over 30% foreign students who come to Canada to obtain their commercial pilot licences. All of this earns them a federal education tax; indeed, many of these flight schools are community colleges. If those foreign students elect to go to another province, it will negatively impact the flight schools and employment in the province of Ontario.

It is critical to ensure that Ontario's schools are competitive. This is an education matter. We've analyzed this and attached in appendix B an analysis which indicates that even if you were to totally exempt Ontario flight schools for relevant educational activity, it would cost you approximately \$148,000 a year; this is modest. It would further education on a vocational basis. From our standpoint, it makes a lot of sense by way of an investment by the province to further this. We recommend a full remission for flight schools.

I'd like to thank you very much for hearing our concerns this year, and I'm ready to take any questions.

The Chair (Ms. Soo Wong): I'm going to turn to Mr. Milczyn to begin this round of questioning.

Mr. Peter Z. Milczyn: Thank you very much. It's nice to see you again this year. Before we get into your presentation, I just wanted to ask you—I think I asked you the same question last year. The lease rates which the federal government charges for major airports in Ontario: How do they compare to other provinces and how would that compare to the cost structure of commercial airports in the US?

Mr. Michael Skrobica: It's a federal issue. The head leases are between the Department of Transport federally

and the various airport authorities. Toronto pays a disproportionately high ground rent. We have anywhere from four million to six million people who leak to US airports. The ground rent is a major contributor to the additional costs. Indeed, in the United States, airports receive money from their federal government, and here in Canada, the money is being siphoned off in what effectively is a hidden tax.

1350

Mr. Peter Z. Milczyn: Thank you for that. In terms of the issues that you've brought forward, I'm very interested in your proposal around full remission on the aviation fuel tax that would be utilized by flight schools. Approximately how many flight schools are there in Ontario?

Mr. Michael Skrobica: There are 17. A list is attached in appendix B. We had a study that a number—I think about eight of them—provided information to, as to the amount of fuel burned each month. We made an estimate based upon the number of aircraft at the other schools and we removed from that the ancillary revenues, for example airplane rentals for people who are trying to keep current. We're trying to focus it on strictly the educational aspect, which we estimate to be about 60%.

Mr. Peter Z. Milczyn: Approximately how many students are served by these flight schools each year?

Mr. Michael Skrobica: It would be over a thousand.

Mr. Peter Z. Milczyn: And you're saying that about 30% of that are foreign students?

Mr. Michael Skrobica: Yes. We did a study, and foreign students prefer Canada; it's a cheaper place to obtain your pilot's licence than a lot of other locations and we have a very large component of our student base that originate from overseas. In category of numbers, China, India and then the EU are in that order with regards to flight training here in Canada.

Mr. Peter Z. Milczyn: And I would imagine that part of that is easier ability to get a student visa to come to Canada than to the US for many people.

Mr. Michael Skrobica: Yes. We've been quite fortunate with regard to having easier visa requirements than, for example, the United States, where there is a reluctance to train overseas students.

Mr. Peter Z. Milczyn: I want to thank you very much for bringing this forward today, and certainly for your recommendation around aviation flight schools. I think that's a very interesting recommendation that I certainly will take back to the minister. Thank you.

Mr. Michael Skrobica: And it would also be modest.

The Chair (Ms. Soo Wong): Thank you very much for your presentation, sir, as well as your written submission. Have a great afternoon.

Mr. Michael Skrobica: Thank you very much.

The Chair (Ms. Soo Wong): Okay, The next group coming before us is the Ottawa and District Labour Council.

The Clerk of the Committee (Mr. Katch Koch): They're not here yet.

The Chair (Ms. Soo Wong): Okay, The next group coming before us is the Ottawa and District Labour Council.

The Clerk of the Committee (Mr. Katch Koch): They're not here yet.

The Chair (Ms. Soo Wong): They're not here yet? They're not here yet.

CORNWALL AND DISTRICT LABOUR COUNCIL

The Chair (Ms. Soo Wong): How about the Cornwall and District Labour Council? I have Elaine MacDonald. The Clerk is coming around with the written submission. Welcome, Ms. MacDonald.

Ms. Elaine MacDonald: Thank you, Madam Chair.

The Chair (Ms. Soo Wong): As you probably heard already, you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questions will be going to the official opposition party. You may begin anytime. When you begin, please identify yourself for the purposes of Hansard. Thank you.

Ms. Elaine MacDonald: Thank you very much. My name is Elaine MacDonald and I'm the vice-president of the Cornwall and District Labour Council. I'm happy to be able to present here today. Thank you for hearing all of us. I think this is such an important duty that you've performed, tedious as it must be by Friday afternoon.

I'm here representing workers in the health care system, especially in long-term care—people who work in nursing homes. I hope that this afternoon, in my short 10 minutes, I can communicate to you the sense of crisis our workers report to us that they experience at work. After that, I hope you'll be able to communicate that sense of crisis to your caucuses, and hopefully we'll see some sort of meaningful response in the budget of 2016 in terms of regulatory care built into the program.

People enter the health care profession because they want to help vulnerable people. The work is hard and, given the end-of-life nature of most people's residence in long-term care, the work is frequently heartbreaking, but the satisfaction our members draw from their work is the reason they go back every day. In recent years, though, they report that it's harder and harder to serve their clients in anything more than the most superficial and perfunctory manner.

I could give you details such as the gentleman from the Ottawa-Carleton Detention Centre gave you of so many tasks that have to be done that get skipped because of job pressures; too much is attempted to be done by too few for so little. Over the past decade, chronic and progressive underfunding of health care, either in reduced transfers or outright cuts, have challenged long-term-care homes to provide even the most basic supports to their residents, and they make patient-caregiver bonding difficult to achieve.

We dare say that reduction to barely minimal service is characteristic of the entire health care system, so the problems of nursing homes aren't unique. But the

repeated cycles of unrelieved austerity and successive rounds of changes to care delivery have destabilized the system, and long-term-care facilities are being squeezed and pressured by reduction in hospital availability on one hand, and by inadequate community care on the other. For well over a decade, it seems that financial considerations have trumped social and medical concerns. We feel entirely justified in claiming that care at every level has been compromised through a too-aggressive program of restructuring, reduction and restraint.

We're not opposed to change—there isn't improvement in a system, after all, without change—but change has to be managed and planned and the results have to be measured. We feel that in Ontario too much was attempted too soon with too few resources brought to the task. As workers in the system and as observers, we agree with the overall admirable goal of providing care closer to home, where people's medical, social and emotional needs are best met. But, unfortunately, the resources to implement the care-at-home program were short. The health care sector has failed people who need access to more complex care than can be provided at home. For almost two decades, hospital closures and bed cuts have severely rationed hospital access, and sadly, the alternatives to hospital care, which is either a nursing home or home care services, have not been adequate to support clients in the conditions in which they present themselves.

The wait-lists of those who qualify for admission into long-term care are at a record high of 20,000 plus. While they wait, fortunate people are sometimes served as outreach clients, visiting long-term-care facilities and receiving support and physical therapies while they await admission. This is a good stop-gap measure, but workers who perform the outreach report that assessments of clients' conditions are made only once a year, and the clients' conditions can deteriorate dramatically as they languish on the wait-list and their statuses are not upgraded.

Then there is a wait to access the interim outreach care program, too. Staffing levels are so barebones that people who would participate can't even access a phone line with a live receptionist responding. This drives people to go to the outreach venue directly and inadvertently interfere with the work there by engaging the therapist or recreationist on the spot for evaluation and registration. I can't tell you how often we hear of and experience this phenomenon: No one answers the phone and no one returns the messages left. That seems like a trivial complaint, even a whine, but this lack of responsiveness and the inability of an overstretched system to respond to people's calls and messages is symptomatic of a system in deep trouble. It's a good segue to the saddest and most tragic feature of life in a nursing home today.

As observers and workers in the system, through our unions and sometimes individually, workers have been warning of health care cuts reaching the point of harm for years now—not malicious, deliberate harm, but inevitable harm from too few resources being brought to the

job. Today, our members tell us the long-anticipated harm period has arrived, and reporters who cover the health care sector, and nursing homes especially, concur.

Today's nursing home is not yesterday's. In years past, seniors who would come into nursing homes might spend years living in a kind of semi-dependent retirement, needing and receiving more help as their conditions went on and they weakened. But now, with access to long-term-care homes constrained and people kept in the community longer, seniors who are entering a nursing home are well beyond any capacity for independent living. The majority are within the last 18 months of their lives and are in need of extensive care. They demonstrate acute physical and psychological needs, but the care is not there. It's a casualty of the shrinking budgets of the past.

Sadly and tragically, the single most outstanding new factor in the mix is dementia and behaviour problems. These are often a feature of late-stage aging. These features demand supervision and therapy, but too often they get neither.

1400

Sadly and tragically, dementia manifests itself as acute anxiety that drives sufferers to lash out at other residents and at staffers. One woman, a worker with 26 years in her career, said she insists now on being accompanied by another worker, even when they're short-staffed, which occurs frequently, when she enters a patient's room. A workmate of hers turned her back on a resident who she thought was sleeping in a chair. He attacked her, kicking and punching her repeatedly. In her third week of absence from work, her doctor determined she was suffering from something akin to PTSD, as is experienced by members of the military.

The conditions in a nursing home are rife with the factors that cause PTSD. Our members work with the constant fear that the vulnerable patient they're tending might turn on them and hurt them badly, given the adrenaline rush that fear and anxiety can provoke. But most often, the victim is another resident. I'd ask you to bow your heads when you hear this: Since 2001, 24 nursing home residents have died by violence that has been ruled as homicide, and not criminal, of course. In the last two years alone, 13 people have so died, and the problem is escalating.

CUPE Ontario, the Canadian Union of Public Employees, is showing great leadership on this issue. The union is campaigning for mandatory staffing ratios. They are appealing for a minimum standard of four hours of care per resident per day. This ask seems modest, given that the average is apparently over three hours in the Champlain LHIN where we are. By comparison, four hardly seems enough, but it's a place to start and we urge you, Ministers, to enact the legislation that would make it the norm in long-term-care homes.

The alarms coming out of long-term-care homes are not just being articulated by workers and their unions, and by the resident and family councils. The call for action is being made by the media, too, which track and

publish the stories of abuse, violent deaths and sheer neglect that are endemic in our underfunded and unregulated system. The whole world is watching Ontario, and as a province, we have to act. People enter long-term care knowing it will likely be their last move, and they accept that they will end their days there, but they do not expect nor deserve that their deaths there will be violent ones, at the hands of companion residents.

Last night, as you're aware, the provincial health ministers ended their conference with Jane Philpott, the federal Minister of Health, in Vancouver. Before the cameras, they pledged to work together for transformative change. I shuddered. The Ontario experience of the last two decades of change makes it a hard sell here in this province, after the seemingly non-stop process of destabilizing change.

All around us, we see evidence of growing gaps in patient care—

The Chair (Ms. Soo Wong): Ms. MacDonald, can you please wrap up?

Ms. Elaine MacDonald: Okay, sure.

The Chair (Ms. Soo Wong): You can finish your sentence, but don't go on.

Ms. Elaine MacDonald: Okay—in patient care, safety and healing.

The Chair (Ms. Soo Wong): Thank you. I'm going to turn to the official opposition party. Mr. Walker, do you want to begin?

Mr. Bill Walker: Thank you, Elaine. I just want to make sure that we're on the same page in regard to some of the things that you've definitely brought to light. I am the long-term-care critic, so this is very close to my heart. I want to make sure that people listening and watching know that this government has had record revenues, so it's not a case of a revenue issue. It's a case of where we put that, and the mismanagement and waste that we've had in the system, which are part of the problem that we're struggling with here.

I want to make sure that we understand as well that, to your point, we've had 30,000 beds promised by this government for long-term care, of which a very, very small number have ever been actually built or re-developed. I asked in estimates where their plan was: How many beds per year? Where were they going? No answers to that.

My colleague from Haldimand–Norfolk reminded me that 20,000 beds were built under the Mike Harris government, and very few beds since then have actually been added to that list. I was told by one of the long-term-care associations—you've noted the waiting lists—that those are going to double in the next six years in their projections. So again, to your point, this is a challenging crisis. It is something they have to be doing.

But I just want to make sure that the public understands, as well, that it's not a case that they don't have the money; it's a case of managing the money better, putting it where it needs to be and making sure that patient care is absolutely the focus of what we're doing. We don't need more studies. We don't need more people going out and doing all of this all over the place—

Ms. Elaine MacDonald: I have to tell you, I totally agree with you that we need more care—and you've got a global picture. I just have a view on the ground. I don't think there are enough resources in the system.

We are facing a 0.2% increase in funding this year. When you consider what's happening to the price of groceries and food alone—these people, after all, have to be fed—I don't know where this money is of which you speak, but it's not coming into long-term-care homes. So somewhere in there, there's a problem.

Mr. Bill Walker: Just a point of clarification: What I mean is within the government coffers, the money they're bringing in. Where they put us and where they actually put their priorities is a much different misalignment but—

Ms. Elaine MacDonald: I agree with you there. Thank you. I misunderstood you.

Mr. Bill Walker: No, that's a good, fair point. I want to make sure that we understand there are record revenues that they have at their disposal. There's a lot of waste and a lot of mismanagement. The Auditor General came out in her last study and said 40% of CCAC funding is going to administration, not to front-line care; there's a prime example.

I'm going to turn it over to my colleague so I don't take all the time.

Ms. Elaine MacDonald: Thank you. I'm sorry for misunderstanding that and I'm glad you clarified it.

Mr. Jim McDonnell: Well, just to clarify, the revenues have doubled from \$65 billion to \$130 billion, and this is what we're seeing per year. But just to take something from back home, a few years ago, on something you were involved with, the general hospital when they were closing off the rooms, we were obviously short. We had people there who had been in this temporary facility for two years while they were waiting. In my dealings with the CCAC, their words were, "We have more than enough room." They didn't need those beds.

The Auditor General's report at the same time showed that we have the worst wait times in the province. When I asked her what were her figures showing when we were out of beds, her answer was, "The numbers only go up to 2,030 and we have no shortage before then"—which really makes you wonder, because if they're saying the population of the seniors in that time frame doubles, either we are doing a really bad job—because obviously, they're saying we have double the amount of beds we need—or somebody is not telling the truth.

And we have—seeing beds being built. I was down talking to your treasurer the other day, talking about Glen-Stor-Dun Lodge. They're taking tax money from property tax to make up the difference because they can't be—the provincial regulations in these rooms, rooms with dementia and only two people on. They're looking after 24, 26 people.

It's a shame what's going on there, and somebody's going to get hurt, as you were saying.

Ms. Elaine MacDonald: Yes, truly. They talk of a tsunami coming in the future. The tsunami is here.

Mr. Jim McDonnell: You talk about, what, a 0.2% increase? Look at the costs of hydro going up this year. You're saying that just to overcome that 5% or 10% increase this year, you're laying people off.

We met in one of the local hospitals where they had to close 22% of the beds. When I brought that up, the hospital was upset because in this culture of fear, you're not allowed to criticize the government, because the word is that next year could be worse. So they've got everybody sworn to secrecy. How could you lose 22% of your beds and not say anything to the public?

Ms. Elaine MacDonald: Truly.

Mr. Jim McDonnell: I mean, that's what we're seeing all the time.

The Chair (Ms. Soo Wong): Okay, Mr. McDonnell. Ms. MacDonald, thank you for your presentation and thank you for your written submission.

Ms. Elaine MacDonald: Thank you very much, Madam Chair.

OTTAWA AND DISTRICT LABOUR COUNCIL

The Chair (Ms. Soo Wong): The next group coming before us, I believe, is the Ottawa and District Labour Council. Just for the committee's purposes, it is not Sean McKenny who is coming before us. It's Marlene Rivier, the vice-president.

Good afternoon. Welcome.

Ms. Marlene Rivier: Thank you.

Hon. Yasir Naqvi: A shy one.

Ms. Marlene Rivier: Very shy and retiring.

The Chair (Ms. Soo Wong): As you probably heard, Ms. Rivier, you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from the third party.

You may begin any time. When you begin, can you please identify yourself for the purposes of Hansard. Welcome.

Ms. Marlene Rivier: Thank you very much. I'd like to take this opportunity to thank the committee, first of all, for the opportunity to present here this afternoon. My name is Marlene Rivier and I am the vice-president of the Ottawa and District Labour Council. Our president, who had intended to be here and to do this presentation, was called away on a matter related to his duties.

For those who are not familiar with our labour council, the Ottawa and District Labour Council is chartered by the Canadian Labour Congress and is one of the largest of the 110 labour councils across the country. It is also one of the oldest, dating back to 1872. Currently, the labour council represents approximately 90 union locals, with a combined membership of over 55,000 working men and women in the city of Ottawa. It's the largest democratic and popular organization in the Ottawa area.

1410

It continues to frustrate that the government, in its attempts to balance budgets, find savings and reduce its deficit, does so on the backs of working people. At the

same time, input directed towards these measures provided by some, including organized labour, is often met with polite acknowledgement and then is quickly discounted and tossed aside.

I want to talk for a moment about the real impacts of layoffs. I know that when layoffs are made, a calculation is made as to the savings. I'm afraid that it seems that the calculation is not made as to the costs. There are, of course, personal costs. There are the financial costs to individuals and their families. There is also the personal cost to the individual: the loss of identity. Sadly, at its extreme, we are seeing increasing suicides in regions that are hit by layoffs; we've seen that in Alberta most recently.

There are also broader costs in the community when people are laid off. We see a greater reliance on social supports. When we lay someone off, we lay off a taxpayer—someone who is paying their taxes who is no longer in a position to do so—and we impact local economies. My first request would be that when calculations are made around the savings that are related to layoffs, calculations are also made around the cost to individuals, to families and to communities.

Our economy benefits when government, with input from labour, business, community and individuals, initiates policy and legislation—when we do that together. How easy it's been and continues to be for the government to choose workers as a fairly easy target. When it's time to find money and to cut costs, it's often jobs that we're looking at. In much of the work that we do, the work is about the workers. In a hospital, it's great to have equipment, but if you don't have people to run it, you can't provide services. Often the complaint is, "Oh, labour costs are so high." Well, many of these types of work rely on workers. They have to be the main cost.

A rally was held a couple of hours ago, you may have heard, not unlike what is happening in other communities that you're visiting: rallies attended by hundreds of people gathering together to say, "Enough is enough." Hydro privatization, hospital cuts, student debt, rising inequality—all real—and the effect is devastating on our communities, not just here in Ottawa, but in communities across this province.

Budgets built with austerity as the central focus do not work. Budgets built by restoring public services and growing our economies and expanding our revenue base will work, and that is what we are here to promote.

We want to see a greater balance between the interests of workers and common people and the interests of corporations. We're very disappointed not to see an effort to call on the corporate community to do its fair share in pulling Ontario out of its economic doldrums. We are a very low-tax province when it comes to the corporations. We certainly tax much more lightly than they do in the States and in most of the G7. There is, in our view, a lot of room there for us to call on our corporate friends and to remind them that they are part of our communities and that they have a moral obligation to contribute to their communities and not simply to find ways to avoid their taxation responsibilities.

We are calling on you, in preparing this budget, to look more broadly than where you can cut, where you can give small increases, and to look across our province, across our society, and ask that all those who benefit—and that includes the corporations—be called upon to pay their fair share. Thank you.

The Chair (Ms. Soo Wong): Thank you very much for your presentation. Ms. Fife, do you want to start this round of questioning?

Ms. Catherine Fife: Thank you so much, Marlene. It was good to see you out there as well: a very strong turnout for the Ontario Health Coalition, the labour council and also PSAC members, who are facing really difficult—well, they're locked out.

Ms. Marlene Rivier: Yes, they are.

Ms. Catherine Fife: Which was really quite something.

Ms. Marlene Rivier: And by a corporation that is making billions, and these people have not seen an increase in many, many years.

Ms. Catherine Fife: OLG is doing pretty well, I'd have to say.

Ironically, though, there is this call for a public pension and pension is the defining issue in that lockout. So I guess it isn't pensions for everybody in the province of Ontario.

I'm really happy that you mentioned Hydro One. You talk about revenues. This is a lost opportunity, with the privatization of Hydro One. This has been confirmed by the Financial Accountability Officer. I don't know if you know that.

Ms. Marlene Rivier: Yes.

Ms. Catherine Fife: But we will see. Obviously the government is going to pull in some revenue until—

Interjections.

Ms. Catherine Fife: Excuse me.

The Chair (Ms. Soo Wong): Gentlemen, can you take your conversation outside so Ms. Fife can ask the question, please? Thank you.

Ms. Catherine Fife: This is a lost opportunity with the sell-off of Hydro One. Do you want to comment on—overall, what do you think? Why is this government doing this?

Ms. Marlene Rivier: Of course, I'm not part of the inner circle but I do have my theory: That is that this government would like to balance its budget before it goes into the next election. If that means selling the furniture then they're quite prepared to do it. What we are seeing is a willingness to sell the goose that lays the golden egg in order to meet some arbitrary budget mark. I would agree with you that that is absolutely not in the interests of the people of Ontario.

It's certainly something that was tried before. The Mike Harris government made the same proposal and eventually had to back down in light of the legal challenges that they faced. I really found it quite shocking that this government would be willing to walk the path of Mike Harris.

Ms. Catherine Fife: I'm sure it doesn't surprise you that the Financial Accountability Officer confirmed your

fears. The year after this deficit is supposedly erased—really, on the backs of what we've heard: on patients, on inmates across the province—they're willing to go back into debt again. It's very short-sighted.

Thank you for raising tax compliance as well. There's a huge opportunity for this government to ensure that those who should be paying their taxes need to, and those are large corporations with HST giveaways.

Also, the province of Ontario has a combined corporate tax rate lower than Alabama. I hope you would agree with me that that's not so progressive.

Ms. Marlene Rivier: It's certainly not progressive. I would call upon these corporations to do a bit of self-reflection. Are they committed to our province? Are they committed to the people of this province? Because if they are, they will pay their fair share, and our government should be heralding that cry to them.

Ms. Catherine Fife: Thank you for your time today.

Ms. Marlene Rivier: Thank you.

The Chair (Ms. Soo Wong): Thank you very much for your presentation. If you would like to do a written submission, please do so by Tuesday, February 2, 5 p.m., to the Clerk. Thank you.

CEMENT ASSOCIATION OF CANADA

The Chair (Ms. Soo Wong): The next presenter is the Cement Association of Canada. I was told by the Clerk it's Steve Morrissey, the executive vice-president, coming forward to present. Good afternoon, Mr. Morrissey. As you probably heard, the Clerk is coming around with your written submission. You may begin any time. When you do begin, can you please identify yourself for the purposes of Hansard. This round of questioning will be coming from the government side. Okay? Thank you.

Mr. Steve Morrissey: Thank you, Madam Chair. My name is Steve Morrissey. I'm the executive vice-president of the Cement Association of Canada. We represent manufacturers in Ontario that provide all of the domestic cement, the reliable supply of the materials that go into the sustainable communities that we have today.

I want to deviate a little bit from my script in that I had an opportunity to hear some of the previous witnesses. Representing a large industry, it's a bit humbling to now come and talk, once hearing the plight of seniors needing long-term care and of the unemployed, which is, of course, always an issue.

But as a large industry, too, we have a role to play in affordable housing and we're very quickly reaching an inflection point in how we build our communities. The reason for that is largely where we are talking about climate change and a price on carbon, which is a very important discussion. We have to think now how we are going to build communities that are going to be more resilient, that are going to be more affordable for people, and of better quality.

Energy costs: I don't have to remind anyone at this table where energy costs are going. It's a real concern

why we are continuing to have energy codes and building codes; developers are able to build very energy-efficient structures. Cement and concrete can play a role, and we'd be happy to have another discussion with parties about what that role could be.

1420

Very quickly, I'd like to talk—I think the last time I presented to this committee was on a Friday afternoon, so thank you very much. As Henry VIII infamously said to his wives, I won't keep you very long.

But there are a few important issues that we want to talk about in this budget cycle. The first is on the cap and trade. I know that is very topical. We believe that the province is on the right path. We have to talk about a cap-and-trade system, a price on carbon for industries.

The real question is, how are we going to do that in a way that makes Ontario businesses remain competitive and incents industries to reduce carbon? A well-designed system is very important, and we're having those discussions right now with MOECC officials. It has been very positive, and I'd like to thank Minister Murray for his energy into this process.

As an energy-intensive, trade-exposed sector, we export a lot of product to the United States, and it's very important that we get this right.

Moving to the building side of the conversation, one of the things that we would ask the province to mandate, when making infrastructure decisions, whether it's transportation, buildings or bridges, is that there are tools that are available in the asset-management realm to make better decisions. These are life-cycle assessment tools and life-cycle cost assessment.

Now and going forward, we need to consider the environmental impact of the buildings and infrastructure that we are making. We also have to consider the initial cost, and we have to make sure that when the province makes these decisions, we consider the full life-cycle cost, which includes the maintenance costs in infrastructure and includes the operating phase, which are the parts of the buildings and transportation that are very GHG-intensive over time.

Life-cycle assessment tools, life-cycle cost analysis: These are important tools that have been developed and that the province, municipalities and the federal government are looking at. But we think we should move one step forward into mandating these tools in infrastructure decisions.

The other topic of conversation is how the revenue should be spent from a cap-and-trade system. It is very important, we believe, that revenue should be put not just into general revenue, but in fact should be spent on improving long-term productive infrastructure investments. That is something which I think everyone agrees would be important to helping the economy in these generally gloomy times that we have.

We also believe that if the province is going to reach its targets in reducing greenhouse gases by 2030, by 2050, we also have to look at what the technology is that's going to get us there. This applies across all

sectors. If we are going to reduce industrial emissions, there's research and development that the province can participate in, and some of the funds should be available for that work.

We also feel that any revenues from a cap-and-trade system should be separate and transparent from existing government funding programs, so that the public can understand how these revenues are being spent.

Another issue, of course, is electricity costs. I'm sure you've heard this issue many times through this process. Our companies are multinational companies which have operated in Ontario for upwards of a century, but our companies make global decisions about where to invest. Ontario must view electricity and energy prices in the context of its North American and global competitiveness, and right now, we are not a competitive jurisdiction in North America.

To give you an example, from our perspective, of how important this issue is, one of our plants, St Marys in Bowmanville, uses the same amount of electricity annually as Cornwall. Another one of our plants, in Bath, not too far from here, uses the same amount of electricity as Orillia. So we're not talking about insignificant industrial electricity needs.

We understand that there is a concern about how reducing costs for one places an additional burden on others, but we have a cost-effective, fiscally responsible ask of reducing the cost of industrial energy without burdening another rate class.

Last year, Ontario spent over \$1 billion paying competing jurisdictions to take our surplus power. We believe that the government should work with Ontario's major industrial users to give them access to that surplus power. Instead of paying Michigan and New York to take our surplus power, Ontario could make it available to large industrial users at an affordable rate. This would help our heavy manufacturing and industrial sectors remain competitive and, in fact, renew or expand investment in new production capacity in Ontario and create and maintain jobs.

Finally, very quickly, we think that the province is doing a fantastic job addressing the infrastructure gap. Over the past decade, Ontario has spent an average of over \$10 billion annually on public infrastructure and making important investments in the municipalities. We hope that these investments in municipalities will continue. Our municipal partners need long-term, predictable and sustainable funding, so that they can work to address their respective infrastructure challenges.

Thank you very much for the opportunity. I'd be happy to take any questions.

The Chair (Ms. Soo Wong): Thank you very much, Mr. Morrissey. I'm going to turn to Ms. Hoggarth to begin this round of questioning.

Ms. Ann Hoggarth: Good afternoon, Mr. Morrissey. Thank you for your presentation. I was wondering if you had heard the recent announcement by the Financial Accountability Officer, who said that Ontario is on track for stronger-than-projected economic growth in 2015, that household spending is up, that business investment is

up and that real exports and services are up. That's a good thing for Ontario.

The government has lowered business taxes, invested in businesses that create jobs and supported innovative firms to succeed and grow through access to capital, expertise and new ideas. We've also reduced the regulatory burdens, because business has asked us to that, without sacrificing public safety.

How has this helped your business succeed?

Mr. Steve Morrissey: I am not aware of the specifics of the report, but I think you make an excellent point. We have to view competitiveness as a basket of inputs and determinants which impact the cost and profitability of firms. The low dollar is probably the most effective instrument, right now, that is helping the export of our product to the United States, which is a very positive thing that's creating and maintaining jobs here.

But, as I mentioned, there are barriers. The cost of electricity has a huge, huge impact on our business, which impacts investment decisions. The others are regulatory red tape issues. We have worked very successfully with the province in implementing regulation last year to help incent increased alternative fuels. As you may know, we burned a lot of coal and we need to replace that. But there are still regulatory barriers in place which would, possibly through the Waste-Free Ontario Act—help incent and create new industries in getting those alternative fuels to their appropriate markets, which would result in new jobs and decreasing emissions.

So it's a work in progress and I applaud the government for what it has done. We want to work co-operatively and transparently in moving forward with other things that we can do.

Ms. Ann Hoggarth: Thank you. I just wanted to say that I take it, from what I've seen here, that you are working with Minister Murray to work towards finding an alternative to coal-burning energy for your business.

It's funny: The very first week that I was elected, I had a constituent come in to tell me that he had an alternative and it sounded really good. I haven't been able to get a hold of him. I've been trying, ever since then, to get a hold of him. I don't know whether he sold it to someone else, but it seemed to me like a wonderful idea, and hopefully I'll be able to get a hold of him and it will help all of us out.

Mr. Steve Morrissey: Well, if there's anything I can do to help. Of course, we always have an open invitation to any of our elected and unelected officials to visit our plants. They're very interesting facilities. Of course, it's hard to understand industrial concerns until you've really had a feel for what it's like. It's not something that Ontarians have a capacity to do all the time.

So it's an open invitation to anyone. We've had a number of plant tours and we're always pleased to do them.

Ms. Ann Hoggarth: Thank you very much for your input.

The Chair (Ms. Soo Wong): Thank you, Mr. Morrissey, and for your written submission today. Have a great afternoon.

Mr. Steve Morrissey: Thank you.

CHILDREN'S HOSPITAL
OF EASTERN ONTARIO

ROGER'S HOUSE

The Chair (Ms. Soo Wong): The next presenter is the Children's Hospital of Eastern Ontario. The Clerk is coming around with the written submissions. Ladies, if you're part of the Children's Hospital of Eastern Ontario, please come down and come forward. I believe that there are three presenters: Marion—is it Rattray?

Ms. Marion Rattray: Rattray, yes.

The Chair (Ms. Soo Wong):—who is the manager of CHEO's Palliative Care Program and Roger's House; Carol Chevalier, the palliative care social worker; and I believe—the Clerk informed me just now—is it Kimberley Jordan-Waara?

Ms. Kimberley Jordan-Waara: That's correct.

1430

The Chair (Ms. Soo Wong): Okay. You're the parent member of the family advisory committee. Ladies, when you begin, can you please identify yourself for the purposes of Hansard. You have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from the official opposition party. You may begin any time.

Ms. Marion Rattray: I'm Marion Rattray, the nurse manager of Roger's House, a pediatric palliative care hospice, and the CHEO Palliative Care Program. Our team offers perinatal hospice care to families who choose palliation rather than medical termination when their child is diagnosed in utero with a condition that is not compatible with life, and to families who choose palliation after their child is born and a fatal disease is discovered.

Perinatal hospice care was initially provided in 2007 by our team to a little baby girl known by her parents during pregnancy to have a chromosomal abnormality and who was born with an expectation of death in early infancy. The family was referred to the palliative care team after her birth and was cared for over months. Following her death, her parents, who had struggled in isolation during their pregnancy after receiving the devastating news, could only say, "We wish we had known about your program earlier." This experience was the impetus for us to embark on the development of a perinatal hospice program, as we then recognized the unique needs of this population.

Perinatal hospice care is offered by our inter-professional team of pediatric palliative care specialists in conjunction with the obstetrical team and other pediatric subspecialties. It includes counselling and preparation of an empowering, family-centred, specialized, flexible birth plan that respects the family's beliefs and values and outlines choices for care received during pregnancy, labour, delivery, post-partum, neonatal periods and beyond. It allows parents and family members to explore

choices and life issues as well as prepare for precious time with their baby. It involves accompaniment of the family during the palliative illness trajectory and ongoing bereavement support from the time of meeting to well after the infant has died, in the form of individual counselling, couple and sibling counselling, and perinatal loss support.

Referrals for perinatal hospice are received from obstetrical and pediatric specialists such as maternal/fetal medicine teams, neonatologists, geneticists and by family self-referral. Referral received at the time of diagnosis allows collaboration between teams and establishment of a therapeutic relationship with the family. A perinatal hospice should be introduced to families at the time that the options of termination and continuation of pregnancy are presented. We know that this is not consistently happening, as many families who come to our bereavement group report never having known of the perinatal hospice as another option.

The outcomes of having received perinatal hospice services include decreased anxiety and stress, and enabling families to fully experience the birth of their child and the bonding that occurs, and to reach a more peaceful acceptance of their loss. It allows parents to parent their baby and share in his or her life, and it also ensures dignity.

An important component to perinatal hospice is bereavement aftercare. Most parents who have lost a child perinatally experience significant grief, and like any parent who has lost a child, this emotion is not resolved quickly. Most of the parents have reported that they felt that people in their lives did not validate the significance of their loss as they had not known their child for very long. They were left asking questions about whether they were crazy for still grieving and mourning their child.

What is required to enhance provision of perinatal and bereavement services? The key to effectively providing our services is early referral of appropriate families. This is also essential for families who are being referred for bereavement support following an unexpected neonatal death. Education about perinatal hospice care and its benefits should be included in the curriculum of university programs such as nursing, medicine and social work.

Education of professionals and the general public is required. Collaboration between teams is imperative. Local, provincial and national outreach and mentoring by professionals experienced in this area would be very supportive in enhancing knowledge and skill in the provision of perinatal hospice and bereavement support. Referral criteria and processes to implement perinatal hospice and bereavement support need to be established, clarified, and disseminated. Perinatal hospice referrals for these parents need to become a recognized standard of care. Additional investment in resources is necessary to increase timely referrals, ongoing care and bereavement support.

We are extremely passionate about the care that we provide to these families. Since the development of our program, the care team has provided this very important

and necessary service without any additional budgetary support. The team provides care activities over many weeks and is available around the clock, seven days a week, for the birth of their precious patients and to support the families and the care teams. It is truly an honour and privilege to care for these individuals. We thank you for your interest in supporting us to continue the work that we do. We hope that with the passing of Bill 141 and the ensuing increase of education in the area of perinatal loss support, there will be an increase of referrals of eligible patients and clients.

Thank you for allowing us to present to you today.

Ms. Kimberley Jordan-Waara: My name is Kimberley Jordan-Waara. I am a member of the Roger's House family advisory committee. Good afternoon. Please accept my profound gratitude for the interest and support you have shown for Bill 141.

In the spring of 2013, I was pregnant. When I was asked, "Is this your first pregnancy?", I would answer, "No, it's my fifth." When asked, "How many children do you have at home?", it always pained me to say, "None."

My name is Kimberley Jordan-Waara. I am a mother. Our daughter, Zoe Faustina, was born in 2013. I am also the proud mother of Ethan David, who was born on June 4, 2010, and died in my arms seven days later. In all of this, my husband, Jeffrey, has been at my side, and Rogers House has helped to guide our journey.

In the 20th week of our pregnancy with Ethan, we learned that he had hypoplastic left heart syndrome. I remember leaving the hospital with a hand-drawn diagram of a heart and the knowledge that our baby would not be able to sustain life once he was born. We desperately struggled to support each other and to simply breathe.

In the week that followed, we made life-changing decisions for our baby and for our family. Despite our physician's repeated advice to terminate our pregnancy, we insisted on exploring other options. What followed was not a compassionate consultation. In the depths of our pain, our needs were ignored and we were conspicuously judged. We were told that in this situation, most people terminate. Late-term abortion is legal in these circumstances. We were even asked if our desire for other options was a religious decision. In the end, we mutually agreed that it was best that we be transferred out of his care. We ultimately found our way to a new physician and to Roger's House.

At Roger's House, we were warmly greeted by a team of pediatric end-of-life care professionals. We were asked things such as, "Do you have a support system? Kimberley, how are you physically managing? What do you desire for your family, and how can we help you achieve this?" Finally we were with people who valued Ethan's life as much as we did.

After two trips to Toronto, it was concluded that existing surgical procedures were not the right choice for Ethan. We would continue to parent Ethan in utero and prepare for his birth. Our team thought of things we never would have, and now it's all we have. Pregnancy photos? In the circumstances, I couldn't think of them,

but Roger's House did. The same photographer captured our seven days together.

When we met Ethan and held him for the first time, the Roger's House team was already in the hospital room. Within hours, we were at the house, where they made our family home. Every aspect of daily living and our family's privacy was taken care of for us so that all of our precious time and energy could go towards getting to know and loving our son: his baptism, his first bath, watching him, holding him. Ethan and Jeffrey watched a playoff hockey game together. Our first family outing: tea on the patio under a blue sky. All of these things happened at Roger's House.

When Ethan began to show signs of heart failure, the medical team made him physically comfortable. Jeffrey and I held him and let him know how much he was loved until he was no longer alive.

A handprint: This is the hand which we held, bathed, kissed and ultimately let go. We have these memories because of Roger's House. They mean everything to us.

The week after Ethan's death, I had emergency surgery. Afterwards, I was placed in a room with a mom waiting to deliver her second child. When the nurse asked if I was crying because I was in pain, I had to explain that my seven-day-old baby had died the previous week. I was grieving our loss.

1440

In truth, since the day I left the hospital with a hand-drawn diagram of a heart, I have needed to cope with my grief and loss. There are commonly held perceptions that at some point, the hurting stops: The healing is complete; we get over it. This has not been my experience.

Before Ethan's birth, we needed help to build a support network to communicate our situation with family and friends. Immediately after Ethan's death, we needed help to cope with daily living: answering the phone, grocery shopping and returning to work.

During our three subsequent pregnancies, technicians and doctors repeated the same inappropriate questions at each appointment. We felt that each time we had to relive our loss. The compounding grief was suffocating. The fear that Ethan would never have a sibling was overwhelming.

Five years have passed since Ethan's death and our daughter is two years old. Like any parents, we are concerned when we have to take her to the hospital, but unlike most parents, we enter emergency having already lost four other children.

I speak from first-hand and in-depth experience when I tell you that bereaved parents require long-term support. It can be a very lonely road.

When I was in labour with Ethan, I was intensely aware that as soon as he was born, his heart and lungs would have to work on their own and, essentially, the clock would start ticking. While I wanted to keep him inside of me where I knew he was safe, I also knew that he was meant to be born. We were meant to be at Roger's House. We are very proud of Ethan, and his story is meant to be shared.

The Chair (Ms. Soo Wong): I'm going to need to stop you here because I need to be mindful of the time. I'm going to go to the opposition. Mr. Walker, can you please begin this round of questioning?

Mr. Bill Walker: Thank you very much, especially Kimberley, for your courage in sharing your story. It's heart-wrenching, obviously.

In my community, I'm not certain that we have perinatal hospice, but certainly I've been very involved. We're getting a new general hospice in our area, and you can see the impact that it's having on the families.

My understanding is Mr. Colle's PMB has passed; it was unanimously supported by all three parties. I think by reading your brief and hearing your story, what I most—I think the government needs to hear, as part of this deliberation, what really specific types of things you are looking for. I get the pre-analysis, the referrals, but can you just be a bit more specific and can you give me a bit of an idea so that I can churn it through my head a little bit more? When you're talking referral, do you have a model? Is it regional? Is it provincial? Is there something very specific? I would encourage you, if you're going to, hopefully at a further deliberation—Chair, I believe we have until February—

The Chair (Ms. Soo Wong): February 2 at 5 p.m.

Mr. Bill Walker: —to include those types of things in there, so that it's more wholesome and fulsome for the government. We'd welcome any thoughts you can share with us.

Ms. Marion Rattray: Okay. There are two pieces to this. It's education: I think how these couples are treated in so many circumstances—I've tried to figure out in my head why that is. Why don't we get it? There has to be a reason, and the only way around that is education.

The second piece is resources. How big an area do we serve? We serve all of Ontario. Anybody who approaches us can come to our hospice. Since 2007, we have had 55 perinatal referrals, but we haven't pushed it because we don't have the resources to meet that. It's an understanding of the public as well, so that people don't walk up to people like Kimberley and say, "Well, you can have more kids."

There are three areas: There's resources, a huge amount of education, and there needs to be a standard of practice and policies and protocols around this.

Mr. Bill Walker: Again, I'm six and a half or seven hours from where you are, so getting a new hospice—again, they're expanding from six beds to 10, hopefully—sadly, I guess, that's reality.

Rather than having only one—again, that's where I'm going: Is there a regional so that people in my area wouldn't travel as far? I think everyone likes to be closer to home.

You're doing a wonderful job and certainly I think you deserve more resources, but I'm wondering, from across the province, because we do have to legislate from a provincial perspective of having a standard of one out of every five or six in a certain geographic area has a perinatal so that every family has the resources they

deserve and certainly need—the education is absolutely critical in all of these types of things. It's a shame that you've had to go through what you've had to. Certainly, thoughts to you and Jeffrey and your family.

I think that's what we're here for. We're here to learn, we're here to help, and I think the whole goal of all governments should be to put the front-line services wherever we can so that people get the care when they need it in the most compassionate and effective manner possible. Thank you.

Ms. Marion Rattray: You're welcome.

The Chair (Ms. Soo Wong): Thank you very much, ladies, for your presentation.

I want to say to Ms. Jordan-Waara, thank you so much for sharing your story. If there's any additional information, please do submit it to the committee by February 2 at 5 p.m. Again, thank you for being here, as well as for your written submission.

HOSPICE CARE OTTAWA

The Chair (Ms. Soo Wong): The next group coming before us is Hospice Care Ottawa. The Clerk just told me that there are three presenters—not what's listed on the sheet. The three presenters are Stephen Whitehead, the board of directors; John Laframboise, the board of directors; and Kim Sheldrick, the director of finance and HR. Welcome, gentleman and lady. Thank you very much for being here.

As you probably heard, you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from the official third party. The Clerk is coming around with your written submission. You may begin any time. When you do, can you please identify yourselves for the purposes of Hansard. Thank you.

Mr. Stephen Whitehead: Thank you, Madam Chair. Thank you for giving Hospice Care Ottawa the opportunity to make this presentation. My name is Stephen Whitehead. I'm a volunteer serving on the board of directors of Hospice Care Ottawa, and I'm the chair of its communications and fund development committee.

I'm joined by John Laframboise, who is also a volunteer serving on the board of directors. John is the vice-chair of the board. Also with us is Kim Sheldrick, the director of finance, HR and facilities of Hospice Care Ottawa.

We're here today to ask you to address the growing need for funding for hospice palliative care services in Ottawa. Hospice Care Ottawa was formed in 2013 by the amalgamation of two smaller hospices—the Hospice at May Court and Friends of Hospice Ottawa—to increase efficiencies and try to better meet the needs of our population. We provide residential hospice care, community home visiting, day hospice, bereavement and caregiver support.

Our mission is to accompany and support individuals and their families through their end-of-life journey by providing compassionate, high-quality care. Our goals

are to improve the quality of life for palliative clients and their caregivers and to reduce the burden on the health system from unnecessary hospitalization for palliative individuals. All of our programs and services are provided at no charge to patients and their families.

Currently, we have 19 residential beds at two sites and offer community support services at three different sites in the city. Last year, we served almost 300 people in residence and over 1,400 clients in total with our other services. We provided our services with 66 professional and administrative staff, and with over 1,000 tremendous volunteers who last year provided over 55,000 hours of services and community support.

Hospice Care Ottawa is, of course, not the only organization providing palliative care in Ottawa, as you just heard from the previous presentation. We work closely with the local hospitals, with Bruyère Continuing Care, which provides acute palliative care beds; Roger's House, which provides pediatric palliative care; the Champlain LHIN; CCAC; and many other local organizations.

John?

Mr. John Laframboise: Despite significant progress to advance hospice palliative care both locally and provincially over the past years, there continues to be inadequate and inequitable access to integrated and comprehensive hospice palliative care. For a city the size of Ottawa, with close to one million people, we should have 60 to 70 hospice beds for adults, in addition to community hospice services. Currently, we have nine beds at our May Court hospice site and 10 beds at our temporary site at 1400 Carling Avenue in Ottawa. The Ottawa Mission has 15 hospice beds serving chronic homeless adults. So we currently have a shortage of about 30 hospice beds for adults in our community.

Of special concern is the lack of francophone hospice services in Ottawa. Hospice Care Ottawa has begun to develop programming in east Ottawa for the francophone community but will require significantly more funding to adequately meet the needs.

We know that 3% of us will die suddenly. The remaining 97% of us will require some sort of assistance with end-of-life care. Recent provincial data estimates that at least 12% of those should be served in residential hospice. Hospice palliative care can, and does, provide a variety of alternative end-of-life care settings, but all of these options are underfunded. In a recent study, Canada ranked ninth globally in a Quality of Death Index. It's really shocking to observe that only 16% to 30% of Canadians who die have access to or receive hospice palliative and end-of-life care services.

1450

In addition, it is well recognized that our population is aging, with those age 65 and older doubling in the next 20 years. In Ottawa alone, this means the number of deaths will increase from 9,000 to 19,000 per year. An increasing number of seniors leads to more people using hospital and emergency rooms, which of course increases costs to the system and wait times.

Hospice palliative care in the community is far less expensive than hospital care. As you know, the Auditor General of Ontario noted in 2014 that hospice beds cost \$460 per day, while acute care hospital beds cost \$1,100 per day. Hospice palliative care frees up much-needed acute care hospital beds. Hospice Care Ottawa's 19 beds currently save the health care system \$4.4 million per year. Imagine what we could do with more beds.

Mr. Stephen Whitehead: The government funds less than 60% of Hospice Care Ottawa's requirements, and residential hospice operation funding is restricted to nursing and PSW costs. That translates to us needing to fundraise almost \$2 million annually just to provide our existing services.

Last year, Hospice Care Ottawa spent the majority of its budget, 76%, on direct programs and services rather than administration. As all charities know, fundraising is becoming increasingly difficult, and it increases the administrative costs on charities. If we cannot raise sufficient funding from private donations, our existing services are in jeopardy, and if we cannot increase our private funding, we cannot offer additional services such as those needed by the francophone community. It is inappropriate that the ability of Hospice Care Ottawa to provide palliative care in our community, which is an integral part of our health care system, should be in such a tenuous position.

Apart from operational funding, 100% of any capital costs must be fundraised. Hospice Care Ottawa needs to build a new residential hospice in Kanata to continue providing services that the LHIN is financing on a yearly basis at our temporary site. To do this, we needed to raise more than \$6 million completely through donations. Compare Hospice Care Ottawa's situation to that of hospitals, who currently need to fundraise only 10% of their capital costs. We've made the case that more beds and more services are needed, but the burden of fundraising this amount of money for a small community organization is enormous.

We support Hospice Palliative Care Ontario's request that Ontario broaden the envelope for government operational funding beyond nursing and PSW costs, and provide funding for 80% of eligible costs. This would assist Hospice Care Ottawa in ensuring that the critical services that it provides can continue to be available, especially with the increasing demand for such services from an aging population. In addition, this would free up some of the fundraising that we obtain from private donors to provide more programming and to add capacity to support the inevitable increase in demand. Our ability to meet the geographic and French-language needs of Ottawa can only be met with support for additional hospice services in Ottawa's east and west ends.

Hospice Care Ottawa is also asking the province to re-examine its policy regarding capital funding for community hospices. Currently, there is no avenue for such organizations to access capital dollars, and even programs provided by Infrastructure Ontario which purport to support hospices do not recognize fundraising pledges as equity for loans.

In closing, I would ask you to think about this from two perspectives. First, consider the important role of hospice palliative care. Think about the kind of care you would want for yourself or someone dear to you when dying.

The majority of us do not want to die in a hospital, and would prefer to die at home. Community hospice services can support people who are dying at home, but when that is not always possible, for reasons such as medical needs, family support or finances, residential hospice provides as close to a home-like environment as possible, where family, friends and even pets can remain with the person who is dying. As one family member recently told us, her mother being in hospice allowed her to be a daughter and spend those last few days with her mother, rather than providing care. Those were precious moments for her.

Madam Chair, I think I'm running out of time. There is a personal note there that I would encourage the members to read, and I'll just conclude with asking, secondly, that we'd like you to consider this from an economic perspective. We pointed out that funding hospice services provides overall cost savings to our health care system, and we have pointed out that our services are in constant jeopardy under the current funding model if we cannot continue to raise sufficient funds from private donations. Hospice Care Ottawa respectfully asks the committee to recommend that the government of Ontario broaden operational and capital funding of hospices. Thank you.

The Chair (Ms. Soo Wong): Thank you very much, Mr. Whitehead. I'm going to turn to Ms. Fife to begin this round of questioning.

Ms. Catherine Fife: Thank you very much for coming in today. I have to say, we've heard from the hospice community at every place this week, which is good. It's good that the message has been consistent. The call has been to broaden the operational funding piece. I think a lot of people at the beginning of the week, myself included, were surprised that hospices were not funded for heat, hydro and food. Those other funding options actually need to be part of providing quality hospice care.

I just want to read something for you from the 2014 Auditor General's report. She found that "palliative-care services in Ontario developed in a patchwork fashion.... Although efforts have been made to create an integrated, co-ordinated system to deliver palliative care in Ontario, no such system yet exists." She went on to say that the ministry didn't have adequate information on patients' needs in various areas of the province or what services are available for them to be able to provide the "right care at the right time in the right place," which is what hospices do. So that's part of the problem, I think. The ministry hasn't bothered to collect the information. You have to understand the problem in order for you to address the problem.

But this is also part of a bigger conversation that's happening in Ontario and in Canada. I think the politics of it is living with dignity and also dying with dignity. Do you want to talk about the timing of this? Because the

economic case is clear from our perspective, and we'll be bringing that forward to the government.

Mr. Stephen Whitehead: From an economic point of view, the need is immediate. Part of my job as the chair of the communications and fund development committee is to oversee us raising the \$2 million we need, and I can tell you, it is a struggle. I'm relatively new to the board, but the financial challenges of the hospice are very significant. And yet the role that it plays in the health care system, particularly the fact that it actually saves money for the health care system, is in jeopardy.

Ms. Catherine Fife: Yes, and when you look at the sheer dollars of it—I mean, there's the right reason to invest in hospice care and compassionate palliative care. There are some moral reasons. But then there's also the economics and the finances of it. The numbers that have been presented to us are that for an individual to pass away and die in a hospital is almost twice as much. It's \$1,200 versus—I think \$580 was the number that was given to us in Hamilton.

The issue around francophones: That's a unique ask. We haven't heard of that yet across the province, so I want to thank you for bringing that to our attention.

The message has been consistent, and so we will be urging the government to embrace new hospice funding from an operational perspective in this upcoming budget. Thank you.

The Chair (Ms. Soo Wong): Thank you very much. Thank you for your presentation as well as your written submission. Good afternoon.

OTTAWA TOURISM

The Chair (Ms. Soo Wong): We are a little ahead of schedule, and I know that Ottawa Tourism is not here yet—

Interjections.

The Chair (Ms. Soo Wong): They are? Oh, sorry. The Clerk tells me where to go and I go. I was told otherwise.

Ottawa Tourism, you can come on down. Mr. Brown, welcome. As you heard earlier, you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from the government side. Mr. Brown, you may begin any time. When you begin, please identify yourself for the purposes of Hansard. Thank you.

Mr. Dick Brown: Absolutely. Good afternoon. My name is Dick Brown and I'm the president and CEO of Ottawa Tourism. Previous to that, I was president of the hotel association and involved in forming the Tourism Industry Association of Ontario. It's from that perspective that I want to flag three issues for the committee that I think are pan-provincial; they're not Ottawa-centric.

1500

First of all, I'd like to identify a financial risk that I'm not sure you folks are aware of, which emanates from tourism. I met yesterday with the Minister of Tourism in his strategic review and made him aware of this and I'd

like you to be aware because failing to deal with that will be harmful not only for the province, but the tourism industry.

Currently, the funding of tourism is primarily done through private-sector hotels' destination marketing fee, which is a 3% fee you see on your guest bill. That's a voluntary arrangement that hotels have agreed to do because of the absence of money for marketing Ontario's destinations nationally and internationally. My estimate is that in excess of \$50 million is generated through that program in Ontario, but it is extremely fragile because it's voluntary for hotels to participate, and that is a very competitive industry. It's also an industry that is driven by big corporations that are not centred, necessarily, in Canada or Ontario. It would just take one industry leader to say, "We're withdrawing from that program," and the house of cards would collapse tomorrow. Toronto, Ottawa and other centres that are reliant upon that would find themselves in a very serious problem.

The Ministry of Tourism provides Ottawa Tourism with less than 30% of the funding that we receive; the rest is all private sector. Toronto is the same. If this model was to collapse—we couldn't do without the marketing. Sales and marketing are the lifeblood of tourism. No matter how good your product is, you have to tell the world. So I'd like to draw that to your attention.

There is a framework that we have that could be put in place, which would allow the industry within destinations to have the destination marketing fee regulated, so that it was mandated if a majority of the businesses wanted it there. I encourage you to become aware of this problem and talk with the Ministry of Tourism about the details because it has implications, as I say, for your budget.

If this collapses, there would be two options in Ontario: The government is asked to write cheques to replace some of that money, which I don't believe you have the capacity to do at this point in time, or to consider imposing a province-wide hotel tax, which I also don't think you want to do, and I would not recommend that you consider that option. There is another option, so I flag that as a risk for this committee.

One of the other two things that I wanted to talk about is the opportunity that tourism presents for the province. I don't think Ontario has taken tourism as a significant and serious player in its economic portfolio, and yet it is. I think, as we're transforming our economy to a more balanced and sustainable economy and not solely reliant on the manufacturing and other sectors, that we're going to be looking for global opportunities, and tourism is one of them. But it's only going to be one of them if we look at it through the economic development lens and not just as a feel-good opportunity to have activities in our various communities around the province.

I'll point out to you that not all visitors are of equal economic value. Ontario's tourism is made up of 86% of Ontarians visiting Ontario, which is a great thing but we're moving the money around our province, stimulating activity in small towns and villages and cities, which is good; I'm not devaluing that. But the high-value

visitors are national and international visitors who come to our province and they stay longer and spend more. They're part of the export economy that we're trying to grow. That 86% of Ontarians only contribute 67% of the visitors' spending. You can see the gaps. If we can grow the numbers of non-Ontarians here—again, that's a strategic reorientation for your Ministry of Tourism to start thinking about that and creating, as a structured goal, the objective of increasing Ontario's participation in the global tourism community. Globally, tourism is growing at a terrific rate; we want to be there.

Finally, I think it's essential that you urgently deal with the unregulated online service providers—Airbnb, Uber and others. We have to embrace it; the online community is not going away. Those businesses are here to stay, and yet they're operating in an unregulated environment. It's an unfair environment for existing, traditional businesses, and so I would encourage you to deal with it. I know that you're aware of it, but it needs to be dealt with urgently, and it has the potential to contribute financially to this province in a way that I think is necessary as the province grapples with the financial challenges before us.

Quebec has recently introduced legislation that we believe almost solves the problem in dealing with Airbnb in that province, but there's one element missing, and that is the requirement of Airbnb to report to the province the activity and revenues of the service providers, much like employers report on the salaries and wages paid. This will allow us to ensure that illegal businesses are ferreted out, that the legal Airbnb businesses are paying their fair share of HST and other taxes, and that the hosts are paying income tax as appropriate. I would encourage you to look at that. We in Ottawa have more than 10% of our hotel room capacity available in Airbnb listings on any given night. There were 1,500, the last time I looked, where you could go—unlicensed, untaxed operations.

I just draw those three to you. I'm not here asking for money or anything, but I think it's important as you look at the financial requirements of the province going forward to look at the opportunity that tourism affords the province and address the risk associated with the funding. And with that, I'll rest.

The Chair (Ms. Soo Wong): Thank you very much, Mr. Brown. I'm going to turn to Madame Lalonde to ask you some questions about your presentation.

Mrs. Marie-France Lalonde: Thank you, Madam Chair. "Madame Lalonde"—I like that.

Mr. Brown, welcome. It's certainly a pleasure to see you here presenting in front of this committee. I live in Ottawa, and it's certainly always a pleasure to see tourism coming to our province. I'm sure you're aware that yesterday there was some huge announcement for Ottawa 2017, where that group were able to secure the Red Bull Crashed Ice tournament venue coming in. We've looked at numbers and you're looking at over \$10 million over and above expectations for just that venue.

So I understand how important tourism is for—I'll talk for Ottawa for now, if I may. Certainly this is something

that I know your group is working on very, very diligently, to bring new ideas and new tourists. Has the lower loonie—unfortunately for us, but maybe good for the tourism industry—had any impact recently for tourism in Ottawa?

Mr. Dick Brown: Yes. Certainly the exchange rate is a benefit to all Canadian destinations in terms of our friends to the south as well as the international market, but we're not a low-value destination and we don't want to be seen as a cheap place to go and only go for that reason. But that is one benefit that we want to take advantage of.

Mrs. Marie-France Lalonde: Have we been able to market to our friends in the States regarding the potential in terms of exchange rates?

Mr. Dick Brown: It's interesting: To date, the research shows that Americans, although the message is out there, when they're checking out of their hotels, are surprised at the discount. It hasn't to date shown itself to be a motivator for a substantial increase, although we think that will grow with time.

Mrs. Marie-France Lalonde: Okay. I know we provincially are providing Ottawa Tourism about, I believe, \$3.56 million in terms of pre-planning events, and all kinds of, I'm sure, valuable things. I guess my question would be: How does that money help your organization, from a daily perspective of operations?

1510

Mr. Dick Brown: It allowed us to expand from the \$8-million to \$9-million private sector funding by another \$3.5 million.

Marketing, as I said, is the lifeblood of tourism. Being the nation's capital, we're trying to tell every Canadian that this is the most important city in the country, and every Canadian should visit their capital and have an opportunity.

We're also trying to attract high-value visitors from the United States and Europe. We have staff working in Beijing full-time; we have them in the United States and in the United Kingdom. Those monies help us do that.

Our budget is \$13 million. Many of the big cities in the United States are spending \$50 million to \$100 million doing the same thing. Toronto is spending \$30 million to \$35 million doing that. Tourism is all about having resources to get out and tell your story about the great province we live in and the great destinations that we have for people who choose to come here.

The \$3.5 million that comes to Ottawa is helpful for sure. That's why I point out the risk. If the private sector funding was to be withdrawn, we would close. We wouldn't have the resources to make an impact upon this industry and the world.

Mrs. Marie-France Lalonde: One final thing: I just want to touch base regarding the underground economy that you were referring to. That was part of our 2015 budget. I think what I can say at this point is that it is something that certainly the Minister of Finance has been reviewing. As to the input that you've provided today in terms of ideas and suggestions, it's actually quite welcoming for us as a government. Thank you very much.

Mr. Dick Brown: Thank you. I think the digital issue is an urgent one. I would encourage you to deal with it in the next budget, if at all possible. Quebec has; other jurisdictions—change is happening so fast. If we delay, we're going to be left behind, and what we're looking at today won't work for the next generation of technology approach.

Thank you, Chair.

The Chair (Ms. Soo Wong): Thank you, Mr. Brown. Before you go, you have until Tuesday, February 2 at 5 p.m., because I think it's always good to have written submissions. I encourage you to do that. You have until February 2. Thank you for being here, and thank you for your presentation.

CITY OF OTTAWA

The Chair (Ms. Soo Wong): I believe the next group coming before us is the city of Ottawa: Saad Bashir, the director. Mr. Bashir, welcome.

Mr. Saad Bashir: Thank you, Madam Chair.

The Chair (Ms. Soo Wong): You probably heard that you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from the official opposition party. When you begin, can you please identify yourself for the purposes of Hansard.

Mr. Saad Bashir: Very good. I also heard that you want to call it a day pretty soon so that you can start the weekend.

The Chair (Ms. Soo Wong): Oh, yeah. It has been a long week.

Mr. Saad Bashir: I will be very brief. My name is Saad Bashir. Thank you, Madam Chair Wong, and your fellow committee members, for this speaking opportunity. As the director of economic development and innovation at the city, let me first of all welcome you to your nation's capital.

You've heard today from a variety of interest groups, from nursing to environment. Although I did not listen to all of those submissions, I'm going to make an assumption that many of those were looking for increased funding, because the needs are always higher than the resources available. I know that you will evaluate all of those submissions on their merits as you draft your recommendations.

I want to make it clear that I am not here to request funding for economic development—at least, not today. I'm here to support the submissions of my economic development partners from the West Ottawa Board of Trade; the Orléans and Ottawa chambers of commerce; Ottawa Tourism, who you've just heard—Dick Brown; the Innovation Centre and Invest Ottawa, represented by Bruce Lazenby and by Blair, right behind me; as well as share with you some highlights from the city's economic development plans.

During my remarks, I want to cover three things: firstly, acknowledge your investments in the city of Ottawa; secondly, provide you a brief summary of what we're up to; and finally, some food for thought.

Given that municipalities are creatures of the province, we rely heavily upon you on almost every aspect of our function. Economic development is no different. The province of Ontario has played, in my opinion, an instrumental role in the economic development space in Ottawa. Since my last five years with the city of Ottawa, we have witnessed provincial investments in securing sporting events such as the FIFA Women's World Cup, cultural events like the Junos, entrepreneurial support efforts such as the construction of the Innovation Centre, support towards a variety of entrepreneurial programs, investments in major technology firms in Ottawa, the creation of a cybersecurity centre, investment in the new convention centre, and several others.

Although I am one of those who sometimes wishes that we could always get a little bit more funding, it's important to recognize the investments that you have made to date. I feel it is our job to demonstrate to you the returns that we are producing out of those provincial investments.

We at the city of Ottawa try to be a bit strategic when it comes to economic development. Unlike other regions around the world, where their primary resource is underneath the ground, our primary resource is between the ears of the smart knowledge-based talent that lives and works in the city.

We realize that our city will never have the same amount of cash to spend on economic development as Abu Dhabi and that we will never have big internal economies such as Jakarta or Istanbul. We have to be extremely smart, and that's going to be our secret sauce: to innovate with our limited resources.

The city of Ottawa's 2015-18 economic development strategy is appropriately titled Partnerships for Innovation. Why partnerships? Because we know that individually we are all struggling for resources, but collectively we find that we sometimes have more than enough.

Within our strategy we have four key pillars: investment attraction, entrepreneurship, tourism, and data.

Under these pillars, just a few initiatives that are worth mentioning: To ensure that we stand a better chance to attract private sector dollars, we created an arm's-length agency called Invest Ottawa. What is so innovative about it? A couple of things: governance, for one. Co-chaired by the mayor and a private sector leader, the board of Invest Ottawa is a top board of the city, with the four presidents of the four post-secondary institutions sitting on it. This is a demonstration of the tight relationship that must exist between academia and the private sector for long-term economic development growth.

Another innovative approach regarding Invest Ottawa was to house a number of economic development services, which in another city would be spread over different organizations, under one roof in the city of Ottawa.

Internally at the city we have created a concierge program called the Capital Investment Track or CIT, which facilitates city hall investments. To date, we are working with six CIT projects that are worth about \$3 billion and 15,000 jobs. Our principle is quite simple: We

want to undertake whatever possible to roll out the red carpet and not the red tape, because time is money for our investors. A snapshot of that CIT program is listed in the package that was given to you.

Another flagship project for us is the Innovation Centre at Bayview Yards. This will be the physical showcase of the private-sector innovation that takes place in Ottawa. Of course, what will give life to the building itself will be the many programs that are going to be run in that building, something that the next speaker is going to talk about in more detail.

Another innovative initiative that we put in place is the Innovation Pilot Program or IPP, which we think is the first of its kind anywhere in Canada when it comes to municipalities. This allows companies that have unique pre-commercialization technologies to pilot using the city of Ottawa's infrastructure for a period of three to six months at no cost, allows the start-up venture to get a solid reference at the end of the pilot and exposes the municipality to new technologies.

We launched it a few months ago; we already have 50-plus applications, and we have been quite amazed by them. We believe that this is a program that the province should closely examine, not because we want money out of it but because we feel that this is something that you could actually roll out in every municipality in the province of Ontario. We would be pleased to share our learnings with you.

Tourism development is key to Ottawa's economy, as Dick was talking about. It is a space that has become extremely competitive and hence ripe for innovation.

A couple of things around tourism: A partnership that has since won a national award is one between Ottawa Tourism and the city of Ottawa around attracting large-scale events to the city. This program currently stands at an annual \$1.5 million in funding and has resulted in tens of millions in economic impacts, such as the Red Bull event that the MPP mentioned before, which are creating a lot of revenue, especially for the province.

Similarly, the city and our tourism partners have come together to take a leadership role to celebrate Canada's 150th birthday right here in the nation's capital. Our year-long bold and innovative program is being led by an arm's-length 2017 bureau that has been successful in raising a lot of interest. As we roll out the program, we believe that people across the country will be compelled to visit their capital in 2017. I encourage you to check out ottawa2017.ca and make sure you bring your family and friends to Ottawa next year.

1520

Our last pillar is data and research. I will not be offended if you felt that that is a really boring topic to end the presentation with. Economic development decisions made in the presence of good data that has been thoughtfully analyzed are critical in ensuring taxpayers' dollars are invested appropriately. That is a key priority area for us.

I'll wrap up my remarks with a few items of food for thought. The province can help arm municipalities such as Ottawa to create centralized data management tools

that consolidate data and make it available to all. There's a big gap in that area, and many municipalities like Ottawa are spending a lot of resources figuring that out.

In the tight fiscal environment that we all face, the province should consider linking economic development to a variety of municipal investments you make, particularly around infrastructure. Every year, we build roads, every year we renovate bridges, every year we are doing the same things over and over again. We should proactively connect those massive, annual, repetitive investments at the municipal level and use them to attract investments and talent to Ontario from around the world.

The province should take a serious look at the concept of smart city, which is all about municipalities taking advantage of the Internet of Things. A very basic example to illustrate the point: We are talking about garbage bins that can exchange fill-level data with garbage trucks to collect trash only when required. This is an innovation that is being practised in Seoul, South Korea.

Making every aspect of municipalities a shining example of innovation can be Ontario's economic development differentiating factor and embracing smart city could be a good way to go about it. We in Ottawa have been getting a good grasp of it, along with my colleague Bruce Lazenby from Invest Ottawa, and we will be more than happy to share what we have been learning over the last few months.

Lastly, there is a lot of noise within the economic development space. Almost every project—and I sometimes am on the receiving end of these projects from people within the city. Everybody is marketing their project as having economic development impacts. We think that you should pay really close attention to the performance metrics not after the project has been funded but well in advance. The province should practise this approach in every Ontario city and on every economic development project.

I thank you for your attention and I'm available for questions both now or in the future.

The Chair (Ms. Soo Wong): Okay. I'm going to turn to Mr. McDonell to begin this round of questioning. Thank you for your presentation.

Mr. Jim McDonell: Thank you for coming out. You highlighted the importance of the smart city, smart initiatives with the Internet. A couple of points: I looked at this government's record on some of the smart initiatives. We talk about the smart meters that have been a dismal failure—different programs. And eHealth, which is so critical to health care and is still not up and running after billions of dollars spent.

I go back to a program through the Eastern Ontario Wardens' Caucus; I had a meeting with them last week. We spent hundreds of millions of dollars upgrading eastern Ontario for Internet access, and we still have gaps, and, worse than that, we have many gaps just with basic cell service. I go back to, I believe, 2008. Before this program started, my own municipality had been awarded a grant. The telephone companies or the cell companies at that point were offering basic cell service,

which included data. It was too late for us; we were just at the edge of our project when the technology was coming to fruition.

I said that we have to be smarter when we do these things. We're spending lots of money. If we were to allow the cell companies to provide the Internet service, we would end up with both Internet and cell service, and the program would likely be cheaper because they could use the revenues.

The ministry of the government said, "You can't do that. We can't support these providers." So we're sitting here now. One of their major asks now is to go back and redo the system for cell service. It just talks about how we're not being smart when we go out and we aren't utilizing all the proceeds that are there.

We installed across eastern Ontario—the manufacturer discontinued equipment that now has to be replaced, and who's going to replace it? I think engaging the private sector, engaging municipalities, and ending up with a system that not only generates enough revenue to replace itself but getting state-of-the-art technology in place is something that we need to get into this province. Any comments on that?

Mr. Saad Bashir: I completely agree with your last two sentences about making sure that—only because I'm not privy to all of the previous stuff. But you're absolutely right. This is my first job in the world of municipalities and I'm only now realizing how close to the action municipalities are. This is really where you can make a direct difference in the lives of the citizens. I absolutely agree with you that partnering with the municipalities, and especially bringing the private sector in versus us trying to figure out—we are finding that there are lot of good best practices, especially in the U.S., in Nashville and Chattanooga in Tennessee, that we can learn from. We have all the talent in Ottawa, and I'm sure it's the case in Waterloo and other places, that we can exercise.

Mr. Bill Walker: The other point that I'd like to raise—congratulations on your six projects. That's very ambitious. I think two of the key tenets of that is to be competitive and to certainly be attractive to companies to come here. All of what you're talking about is heavily reliant on energy, whether it be that huge hotel that runs 24/7 or industrial complexes. We have the highest energy rates in North America, so one of the challenges that we have is to remain competitive so that we attract those businesses like you're trying to attract here.

I come from a recreational background in a municipality. Some of the things that I think are also a big issue are those things like arenas, pools and libraries that we run as municipalities. If your hydro rate doubles, that is going back onto the property tax if you're not getting it from the provincial government. So again, we have to be very cautious and make sure people understand there is a ripple effect here. If we don't attract those companies, it's a downward ripple effect. We don't have the jobs and we don't have the taxation to do all of the things that you want.

I think the key to a lot of this is analyzing the data, as you say, but not just what we can see in front of us. We

have to be looking behind the scenes and saying, “What are those unintended consequences?”

Again, we’ve heard all week about cuts to hospitals. A lot of that is because if your hydro rate is going to double and you’re on a fixed budget, something’s got to give. At the end of the day, we have to be very—having worked in a municipality, I think those are very similar concerns that you would share.

Can you just elaborate a little bit? Do you see those concerns of hydro and things like the ORPP, which is going to add another 3% to 5% onto the employer and/or the employee or combined? Again, keeping us competitive: Why are they going to come to Ottawa and Ontario if we have the highest rates in the country?

Mr. Saad Bashir: What we are finding is that investment and talent is highly mobile. We can pretty much do what we want to do in Ottawa almost any place in the world. You can do it in Ghana. When we talk with investors, especially through Invest Ottawa—and I’m sure that they’ll put some more details when they come and speak—we find that the number one thing that everybody is talking about is talent. Everybody has a big, long wish list. And of course, cost of overhead and cost of doing business in the city is one of those things, and hydro would be one of them. The more competitive we can be in all facets that are required to attract investment to Ontario and to Ottawa would be helpful for sure.

The Chair (Ms. Soo Wong): Mr. Bashir, thank you for your presentation and your written submission.

Mr. Saad Bashir: Thank you very much, Madam Chair.

The Chair (Ms. Soo Wong): And thank you for welcoming us to Ottawa, our annual visit.

Mr. Saad Bashir: Have a good weekend.

INNOVATION CENTRE
AT BAYVIEW YARDS
INVEST OTTAWA

The Chair (Ms. Soo Wong): The next group before us is the Innovation Centre, and I was told by the Clerk it’s also Invest Ottawa. There are two speakers before us: Jeff Westeinde and Bruce Lazenby. I think the gentleman before Mr. Bashir indicated he’s from Invest Ottawa.

Gentlemen, you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from the official third party. You may begin any time. When you begin, can you please identify yourselves for the purposes of Hansard.

I think the Clerk has some written submissions.

Interjection.

The Chair (Ms. Soo Wong): I think it’s going to come when we get back to Queen’s Park.

You may begin any time.

Mr. Jeff Westeinde: Thank you. Merci pour l’invitation d’être avec vous, and hello, Ms. Lalonde in particular. Thank you very much for the invitation to

come and speak to you. I’m Jeff Westeinde, the vice-chair of the Innovation Centre at Bayview Yards. As it turns out, we did not photocopy enough handouts to pass out, so you will be receiving some material when you get back to Queen’s Park. However, given that we’re in the digital economy, I would encourage you all to go to thebayviewyards.com and everything that you need to see will be online.

Thank you for coming to Ontario’s second-largest economic engine after the GTA. I do know that at Queen’s Park you live and work in the GTA, and it’s an extremely active economic hub, and we’re thrilled to have an engine like that in our province.

1530

However, many people think of Ottawa as a sleepy government town, and in fact we are not. As a private sector leader here, we are the second-largest economic engine in the province. We have 1,700 private sector technology companies here. To give you a sense of scale, that’s three times more than the city of Waterloo has.

The knowledge-based jobs, as Saad Bashir mentioned ahead of time, are very exportable. Not only do they create exportable products but they’re mobile. It is critically important that we stay competitive for those jobs and keep the economy here in Ottawa strong. We are thrilled that the province has recognized the importance of those jobs and has assisted us in building what will be one of the world’s best innovation centres here: the Innovation Centre at Bayview Yards. We were fortunate to receive a \$15-million contribution from the province that was matched by the city. We are actively seeking out private sector funds as we finish the construction of that centre.

The centre is a 50,000-square-foot municipal building located at 7 Bayview Road, and it will be open by 2016. I happen to be the chair of the building committee—I had no grey hair when I started that job—and we’re working hard to get that done. That’s the first phase.

The second phase is a 180,000-square-foot centre. We have worked extremely hard to be sure that the centre is financially resilient; that is, we will not be coming to see you on an ongoing basis for ongoing grants to operate the centre. We are hopeful that you will come and visit us more than once or twice a year. Come see the innovation centre, see the benefits that it has to the community and assist us with phase two.

The concept behind the innovation centre is really a mash-up of all sorts of different sectors and technologies that we have here in Ottawa to create that innovation that happens, oftentimes over a cup of coffee, over a new technology, by bringing the various sectors of our industry together. I did want to come and assure you: As I mentioned, I have a few more grey hairs and I’m losing a bit of sleep, but the innovation centre is on track, on budget, and we will be open in October 2016.

I wanted to thank you again for the confidence that you’ve shown not only in the Innovation Centre at Bayview Yards, but the city of Ottawa for your contribution.

With that, I'll turn it over to my counterpart, Bruce Lazenby from Invest Ottawa.

Mr. Bruce Lazenby: Bonjour. Je m'appelle Bruce Lazenby. Je suis le président et directeur général d'Investir Ottawa.

We're going to be the largest tenant in the innovation centre. I didn't have any grey hair until he took over the job of building the innovation centre, but we're all very confident.

We talk about Ontario sometimes in big chunks. There's a big manufacturing chunk, there's a big resource chunk and there's a big high-tech chunk. The manufacturing part is a problem globally, as we know. Commodities are depressed now and will be for a while. Happily, we have a large high-tech community in this province and it's one that we need to continue to promote. The Ontario technology corridor is an idea that connects Waterloo, Toronto and Ottawa to create what would be the largest technology corridor outside of Silicon Valley. This is something that is currently on the books, and we think it's something that should be emphasized.

To put that into context, Jeff mentioned briefly that there's a group called the Branham 250 that counts the top 250 ICT companies in Canada. Not surprisingly, 23% of those are headquartered in Toronto. But it might surprise you to know that Ottawa is number two, ahead of Vancouver, Montreal, Edmonton, Calgary, and about four times the participation of Waterloo on that list, so we've got that. We're also living in the most sustainable city in Canada. Maintaining that are two things: talent and capital.

From the talent point of view we need to do two things. One is reinforce the universities with their STEM programs, including K to 12. I was talking to the dean of engineering at the University of Ottawa and he tells me they're taking in 1,000 new students. That sounds great. They had 8,000 applicants. What I heard is that we turned away 7,000 possible engineering applicants.

The second thing is immigration: We have the best country in the world, literally, as voted by the Reputation Institute. People want to come here, and we should have an immigration process that can take the best and the brightest who want to come here and allow them to do that.

Financing is important. Two key elements: There is lots of private sector money sitting on the sidelines. You can animate that money by offering angel investors a minor tax credit. BC has been doing it for a long time. It was previously on the books in a previous budget—2012, I believe—but it never made it to the table. I believe you should reinforce that.

The last thing is that in about 2007 or 2008, the government created something called the Ontario Venture Capital Fund. They invested \$80 million into that fund. That fund has now expired, and guess what? You were returned \$95 million, and created thousands of jobs in the process.

Given the current financial situation, you'd be sorely tempted to take that \$95 million into general revenues.

Don't do it. Reinvest in Ontario Venture Capital Fund II. That money goes out to private sector venture capitalists who are really smart at investing it in Ontario companies and creating more growth and jobs. Thank you.

The Chair (Ms. Soo Wong): Thank you, gentlemen, for your presentation. I'm going to turn to Ms. Fife to begin this round of questioning.

Ms. Catherine Fife: Thank you for your presentation. You rightly pointed out that one of the major deterrents is access to capital, both at the early stage and then also at the IPO stage. We're losing a lot of those start-ups to other jurisdictions who court them away after an initial investment.

If I'm to understand you right, from a finance perspective, aside from the initial capital that you're currently working with, you would like the government to actively be involved in a tax credit for angel investors, to animate that money, if you will. Do you want to expand on that a little bit, please?

Mr. Bruce Lazenby: Sure. There are literally tens of billions of dollars in the hands of private net-worth individuals who are trying to figure out where to invest. Frankly, real estate has been a solid investment for the last decade and a half. That's about to end. We're seeing already the flattening of real estate, and the construction is starting to slow down a little bit, so you've got a lot of people with a lot of money trying to figure out what to do with it.

Money, like water, takes the path of least resistance. If you can incent them—in BC, what happens is that if you make a qualified investment into an angel-qualified company, you immediately get 30% of that investment back in the form of a tax credit. From an investor's point of view, I can put \$100,000 in, I get \$30,000 back, and I'm getting \$100,000 worth of investment for only \$70,000. That's enough to get them moving. It's enough to get them off top dead centre, as we say.

The IPO markets you talked about are fascinating. We're losing a lot of Canadian companies to Americans. There are two things that we can do there. One is to more actively promote the concept of building larger companies. In fact—this is important—Ottawa software companies have raised more money in the public markets over the last five years than every other city in Canada combined, and that's not just Shopify. We can do a lot more of that.

But hostile takeovers in Canada can happen very quickly. In the United States, they have legislation which gives the company a chance to prepare a response to their shareholders. We don't have that time limit here in Canada. That's a legislative opportunity for the government, to look at this and say, "Do we want to give Canadian companies more time to prepare a response to a hostile American takeover?"

If you haven't checked recently, the value of our dollar means that we are rising on the target of a lot of American companies who are sitting on more cash on their balance sheets than they ever have in history. They're hungry for great talent. We've got it, and we're now not only for sale, we're on sale.

Ms. Catherine Fife: I represent the riding of Kitchener—Waterloo, and what we're finding in Waterloo—we have Communitech and Accelerator Centre; we have these great hubs and partnerships with the universities. Mobilizing and commercializing that research, which is also an investment on the university side, is key. We're courting some of that talent back from Silicon Valley because of the social infrastructure of Canada and Ontario.

I'm asking you, though, to also be strong advocates for a strong publicly funded health care system and education system, and the connectivity piece, which is transportation. That's a big issue for Waterloo, because Silicon Valley has that connectivity and productivity through rail. That's also an investment that we're looking for: that two-way, all-day GO, which right now only goes one way. We need those 10,000 people to come from Toronto or from Ottawa to the GTA, because those are the connectivity pieces that need to be in place.

Finally, perhaps given the prevalence of grey hair for both of you, you may want to invest in some Grecian Formula. A new formula may be on the agenda.

Mr. Bruce Lazenby: This is guidance I've never received from the government.

Ms. Catherine Fife: We're colouring outside the box.

The Chair (Ms. Soo Wong): Thank you very much, gentlemen. I know that one of you has submitted a written submission to the Clerk. You have until February 2 at 5 p.m. for any additional information you want to share with us. Thank you very much, and have a good afternoon.

Mr. Jeff Westeinde: Thank you. Merci.

EACOM TIMBER CORP.

The Chair (Ms. Soo Wong): The next group coming before us is Eacom Timber Corp.

I know the Clerk has—Christina, can you share this? Can you circulate that? Just for the committee members, there is a written submission for the next presenter. Christina is coming around to share that with the committee. Okay? We're ahead of schedule, ladies and gentlemen.

1540

Ms. Catherine Fife: One more?

The Chair (Ms. Soo Wong): Yes, one more after this, Ms. Fife. I'm keeping us on schedule.

We have Eacom Timber Corp. Come on down. If you want to bring your colleague forward, it's fine with me.

Ms. Christine Leduc: Oh, no—

The Chair (Ms. Soo Wong): He doesn't want to? Okay.

Ms. Christine Leduc: It's just me today.

The Chair (Ms. Soo Wong): Okay. We have before us Christine Leduc. Welcome. Good afternoon. You have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from the government side. You may begin any

time. When you begin, can you please identify yourself for the purposes of Hansard.

Ms. Christine Leduc: Thanks. Mrs. Chair and members of the standing committee, thank you for granting me the opportunity to address your committee today. My name is Christine Leduc and I am the director of public affairs with Eacom Timber Corp.

Eacom is a major eastern Canadian wood products company formed in 2008 and headquartered in Montreal. Operations include the manufacturing and distribution of lumber and wood-based value-added products, and the management of forest resources here in Ontario. Eacom currently owns seven sawmills, five in Ontario, two in Quebec; a remanufacturing facility in Quebec; and a partnership operation in an engineered I-joist plant in Sault Ste. Marie, for a total of 900 employees. Eacom is Ontario's largest softwood lumber producer.

Since 2012, Eacom has invested over \$50 million in Ontario:

—\$27 million to rebuild the Timmins sawmill with 20% more capacity;

—the re-start of the Ear Falls sawmill in northwestern Ontario on an \$8-million start-up cost, which today supports 132 direct jobs; and

—an additional \$18 million at Elk Lake and Naim.

In 2015, Eacom announced an additional \$2.8-million capital investment project at the Timmins sawmill, which builds on previous investments in Ontario to increase our capacities in shifts, employment levels and production. Investments such as these demonstrate our commitment to maintaining strong assets and position us better for future sustainability.

We believe in the strong potential of Ontario to become a leading softwood-lumber-producing jurisdiction in North America. Our forests are vast, sustainably managed, independently third-party-certified, and strategically located next to northeast US and southern Ontario markets.

Sustainable forest management is implemented under a robust regulatory framework, which requires that forests be regenerated and managed to promote their long-term health. Crown lands are not being deforested as a result of sustainable forestry activities.

For ongoing business confidence, Eacom needs reliable and affordable access to wood supply, socio-economically feasible forest policies, certainty of tenure, market promotion and access, public forest road support and competitive industrial electricity rates. To realize further growth and investments, we require the collaboration and support of an Ontario government fully attuned to the security of long-term wood supply and a predictable forest policy environment.

I'll start with access to wood supply. For all of our sawmills in Ontario, predictable and affordable wood supply is critical. We need consistent, long-term access to our wood commitments, and we ask the government to commit to conducting transparent socioeconomic impact assessments of any new policy that could impact the forest sector through reductions to wood supply. Any further government policy that significantly reduces

access to supply will directly affect our production, investments and employment.

Socioeconomically feasible forest policies: We need appropriate, balanced public policy that provides for all three sectors of sustainability: society, economy and environment. Eacom would like to work with the government to develop a solution that respects Ontario's commitment to harmonize the Crown Forest Sustainability Act and the Endangered Species Act.

Regarding tenure, Eacom recommends that MNRF focus its limited resources in areas where government/industry and all stakeholders agree that tenure reform is a priority.

Regarding market promotion and access, customers purchasing Ontario forest products should know they are making a sound environmental choice and supporting local economies. Eacom is grateful for government efforts to promote the sustainability and legality of Ontario wood products to global customers and encourage continued efforts in this regard.

Public forest road support: Eacom was pleased to see the needs of the forest products sector addressed in the 2015 Ontario provincial budget with a commitment of \$60 million in resource roads funding. Primary and secondary roads are strategically important to natural resource development in Ontario and critical to our business. While Eacom believes that the province should return the program to its initial level of \$75 million, I am here today to ask you for a funding level of \$60 million for 2016.

To conclude, Eacom is proud to be a part of Ontario's forest products sector, which generates a domestic economic impact of over \$10 billion, total wages and salaries of almost \$2 billion, almost \$4 billion in domestic exports, and directly employs over 56,000 people for a total of 170,000 direct and indirect jobs. The sector expects to see continued growth, providing innovative and sustainably harvested products to help the province achieve its fiscal and environmental objectives.

Eacom is prepared to work with government and all stakeholders to create a prosperous, sustainable economy for the well-being of all Ontarians. We hope that we can count on government support for our company's efforts to maintain and enhance Ontario's softwood lumber industry and associated communities to the health and prosperity that should be theirs.

I would like to thank all the members of the committee for your attention today. Best wishes for a productive consultation, and thank you.

The Chair (Ms. Soo Wong): Thank you very much. I'm going to turn to Ms. Vernile to do this round of questioning.

Ms. Daïene Vernile: Christine, thank you very much for a very informative presentation this afternoon. We're getting very close to the end. We've been on the road for a week now. You are one of the few people who stand between us and our dinner tonight.

Ms. Christine Leduc: Oh, sorry.

Ms. Daïene Vernile: We have been touring a number of communities in Ontario. We had a visit to Thunder

Bay on Wednesday, where we heard from a couple of people from the forestry sector. Yesterday, we were in Sault Ste. Marie, where we heard from Bonny Skene at Domtar. She gave us a great deal of background on how your industry is innovating and how you are committed to being sustainable and successful. I'm glad to hear that you are on that same course with what you are doing.

I'm just looking at some of the facts here concerning your company. Our government has invested more than \$860,000 to help you upgrade mills here in Ontario. Overall, we have invested over \$1.3 billion to the forestry sector since 2005.

Specifically, I'd like to mention the Jobs and Prosperity Fund, as it has been targeted to the forestry sector, as well as supports for energy costs through the Northern Pulp and Paper Electricity Transition Program, and the Northern Industrial Electricity Rate Program. With all of that, let me ask you, how are these supports and investments helping you and your company to succeed?

Ms. Christine Leduc: We are certainly pleased to have seen the announcement on the Jobs and Prosperity Fund in 2015, and we are having discussions with MNRF for 2016. Eacom will look for more investments and will definitely work with our MNRF partners to see how we can take advantage of the Jobs and Prosperity Fund.

Ms. Daïene Vernile: One of the presenters this week talked about the devastating effects that we're seeing in your industry with the drop in newspaper sales. How is that impacting you, and how are you making up the difference?

Ms. Christine Leduc: Eacom is a lumber producer; we don't own any pulp and paper mills. But the sector itself is very integrated. While we might not have any pulp and paper mills, they are our customers, and our operations are not viable without them. It is a very integrated sector, and we are at a very sensitive area in Ontario when it comes to our pulp and paper mills. We certainly would not want to see another one get closed down.

Ms. Daïene Vernile: Anyone travelling to Florida is not liking what's happening to the loonie these days. However, there are many sectors, many industries—exporters, manufacturers—who actually feel that a lower dollar is good for them. How is a lower dollar impacting your sector?

Ms. Christine Leduc: It is having a favourable impact. However, we do pay all of our production costs in Ontario. It is favourable, in addition to the low oil prices, but we want to be as competitive a jurisdiction as possible.

Ms. Daïene Vernile: We heard from one of the presenters this week, in forestry, that there is a bit of a public relations issue that your industry has to deal with, where people think you're chopping down trees and that's that. So what are you doing to reach the public to let them know the other side of the story?

1550

Ms. Christine Leduc: That is an ongoing challenge, something that we're sensitive to. We do a lot of very

good work, but that good work is not known by most Canadians. We want to make sure that we stay factual and are as transparent as possible. We are operating on crown land. They're the people's trees, so everything that we do has to be transparent.

We are working with partners such as Forests Ontario and other groups that have mandates on outreach and education. We also work with folks at the Ontario Wood initiative, which is an Ontario government initiative, just making sure that everyone understands the sustainability and legality of all Ontario-made forest products. It is important.

Ms. Daiene Vernile: You've given us a dollar figure: \$60 million for 2016. Is there anything else you would like us to tell the Ontario government on your behalf?

Ms. Christine Leduc: Just how ready and willing forestry companies are to help the province achieve their environmental and fiscal objectives.

Ms. Daiene Vernile: Thank you very much for the great job that you are doing in running an industry that is sustainable and successful.

The Chair (Ms. Soo Wong): Thank you very much for your presentation and your written submission. Have a great afternoon.

VICTORIAN ORDER OF NURSES CANADA ONTARIO COMMUNITY SUPPORT ASSOCIATION

The Chair (Ms. Soo Wong): Our last presenter, ladies and gentlemen, is the Victorian Order of Nurses Canada. I believe we have Jo-Anne Poirier, the chief executive officer, here today. Welcome. If you want to bring your colleague to the table, you're welcome to do that.

Ms. Jo-Anne Poirier: Thank you very much. I did invite her, but she's doing work back—

The Chair (Ms. Soo Wong): Oh, okay. So as you probably heard, you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from the official opposition party. You may begin any time. When you begin, please identify yourself for the purposes of Hansard.

Ms. Jo-Anne Poirier: Thank you very much for inviting us to speak. I'm Jo-Anne Poirier, the president and CEO of VON Canada. Il me fait un grand plaisir d'être ici avec vous aujourd'hui.

I will read some of my notes just for expediency purposes and will be happy to focus on the priorities and answer your questions.

I wanted to offer support for the government's "putting patients first" agenda and by acknowledging the commitment to strengthening home and community care in Ontario. Much work has been done and much remains to be done.

You are also to be commended for the home and community care review and for the work now under way to define a better, more patient-centred system for caring

for the health and well-being of Ontarians—where, when and how they want to be cared for.

You've also made an important commitment in last year's budget to continue to promise 5% increases to the home and community care sector. There is some room to go here, but nonetheless this is a very significant investment.

We also urge you to keep a strong focus on ensuring that more of our home care dollars are spent at the front line as the system is reorganized for greater effectiveness, efficiency and accountability.

I'm here today representing VON Canada, our country's longest-standing charitable organization that delivers home and community care. We've been part of the Ontario fabric since 1897. We have 4,000 employees and 5,500 volunteers in Ontario, keeping us healthy through community-based programs like transportation, Meals on Wheels, falls prevention and other programs, as well as serving the health and home support needs of thousands of people in their homes each day.

We're a registered charity, but I also think of us as a business with a social mission. Increasingly, we're challenged to meet the growing needs of the population we serve in a financially sustainable way that's also respectful to the value of our employees. While we, like others, engage volunteers and raise funds to support our delivery of care, it never makes up for the insufficient public resources that we all know we require.

I'm also here on behalf of the Ontario Community Support Association, which is a group of champions for the strong, sustainable home and community support sector for all Ontarians. Their not-for-profit, community-based member agencies provide a wide range of clinical and non-clinical services that help seniors and people with disabilities remain independent and live in their own homes and communities. These cost-effective services prevent unnecessary hospitalizations, emergency room visits and premature institutionalization. They're also key to sustainable health care. We improve the quality of life for the people we serve.

A few numbers: Across Ontario we have more than one million people who receive home and community support, and the need is growing, as we all know. The number of higher-needs patients being cared for at home has increased by 94% since 2009. Many of our folks are supported by family caregivers, who take an estimated 80% of the care provided to those who are ill, frail or dying at home. Almost 30% of Ontarians are family caregivers. Outside of the caregiver community, the volunteers dedicate more than four million hours to provide home and community care each year through the not-for-profit sector and community care agencies.

There are three priorities that I'd like to speak to you about today from VON and OCSA's perspective. This is confirmed: OCSA did a membership poll this week, and you'll hear some numbers from that, as well.

Our first priority is investing in the people who deliver these services: the home and community care. The demand is growing each year, as home and community

care agencies are being relied on to provide more services to an older population who are being discharged from hospital earlier. Yet we face severe funding constraints which affect our ability to compensate staff appropriately and it makes it challenging to meet the service needs.

Some 86% of the OCSA members surveyed said that the wage restraint or compression is an issue for the agencies. The PSS wage enhancement or wage increase for personal support workers was a valuable step, which improved wages for an essential group of workers. The implementation has been costly, though, for some of the organizations like ours and has created some disparities and additional pressures. We have had no home care rate increase for six years and the gap between inflation and funding is widening.

To deal with some of the funding constraints, organizations like ours have a few choices, like reducing services, increasing fees to clients and reducing staff. Wages of non-PSW staff such as nurses and skilled managers do not recognize the value they provide increasingly.

This affects our ability to recruit and retain staff and it's very challenging to compete with the long-term care and hospitals at a time when home care and CSS agencies need to hire more skilled front-line staff. More needs to be done to ensure that the people who are the heart of our system are appropriately compensated for the value that they deliver.

Our second priority is to invest in necessary technology supports. There is a major and growing infrastructure deficit in the home and community support sector. Investment in technology is critical for quality client care: assessment tools and the ability to share people's medical information among home care, primary care and hospitals to co-ordinate patient care. This investment should be supported.

The CCACs' invaluable client information system needs to be used for all home and community support services, not just the specific clinical services provided through the CCACs. These valuable and expensive system assets could be leveraged for the entire health system and could bring desperately needed technology capacity to the hundreds of community support agencies and home care agencies across the province.

Nearly 60% of the OCSA members have examples of information and communications resources in their local areas that are improving care co-ordination and quality. These successful local programs should be spread across the province and extended to providers. So food for thought.

Our third priority is to invest in strong supports for caregivers. We're all caregivers in some way, as we know. It depends on informal caregivers, and their roles are not often recognized or supported. Caregiver burnout is a crisis, and we see examples of this every day. We call the caregivers, actually, the "silent patients." They're often just one step away themselves from illness and breakdown.

The Ministry of Health and Long-Term Care, along with other organizations such as Health Quality Ontario and the Change Foundation, has made improving support for caregivers a priority. The investment in training and resources for caregivers is also a crucial step forward, but more needs to be done to provide real relief and day-to-day support that the caregivers say they need.

In fact, 82% of the OCSA members report that there are insufficient resources in their regions to support caregivers and prevent burnout. The top two programs that they say would help are more respite programs and adult day programs.

Quickly, an 82-year-old gentleman who's fit as a fiddle, who still likes to go downhill skiing, gets to drop off his partner, his wife, to an adult day program. She has dementia and it gives her a break, social activity and a hot meal, and he gets to go skiing and to remain fit. So you can see the double impact of that investment and the real difference it makes in people's lives.

Our sector is closest to caregivers and we provide the programs that have been proven to prevent and relieve burnout. Investing in these very cost-effective programs, such as adult day programs and respite, will continue to support loved ones at home, keeping them out of hospitals.

Our clients, patients and their families know how important this sector is to maintain independence and quality of life, and they want greater access to these services. The strategic investments identified would have a clear impact on the lives of many.

1600

I really appreciate the opportunity to come and speak to you. I will leave my remarks there so that I can answer some questions.

The Chair (Ms. Soo Wong): I'm going to turn to Mr. Walker to begin this round of questioning.

Mr. Bill Walker: Thank you very much, Jo-Anne, for all that your organization does for health care in our communities.

At the back of the package, it's noted that you have contracts with both CCACs and LHINs. I'd like to get a sense of whether you think this amalgamation is a good idea and is actually going to benefit front-line patient care.

Ms. Jo-Anne Poirier: I think that is the intent, and we will hopefully have input into how that restructuring does occur. We have significant contracts with the CCAC organizations, and I think the overall objective is to make sure that more dollars find their way to front-line care. I think that we, as provider organizations, could also play a bigger role in simple coordination. The more complex cases could certainly work with the CCACs and the LHINs. So we do see an opportunity for integration. We would like to be a part of that. We also do see that a bundled services approach taken with the primary care teams and hospitals can help redesign the system.

Mr. Bill Walker: That just goes to the Auditor General, who showed that 40% of current expenditures are going to administration in the CCACs and not to that

front-line care. Certainly, in my riding, I hear that significantly—that a lot of time is spent churning paper and calling and finding, but the person actually coming to take care of that 82-year-old is not there.

The other one that I found interesting is your PSS wage enhancement. Is that complete now?

Ms. Jo-Anne Poirier: I believe it's the final year. What it has created is some disparities internally. For example, we had to invest in a software program to effect the change. It also created disparities between programs. We have PSWs working alongside other PSWs who have not experienced that wage enhancement because the program didn't qualify.

What we would urge the government to do—because it was a very worthwhile initiative—is to make sure to involve us before changes are made, so that we can look at the implementation issues that follow.

Mr. Bill Walker: We certainly agree and want to make sure that the government is hearing that—that when they come out and say “you shall,” there are other unintended consequences. You had to buy a system although you haven't gotten an increase in six years. Hmm, what gets cut here? Probably patient care. That's the concern I have as an opposition member. It's challenging when they have good-intended ideas but they haven't thought it through to say what's the real impact to the end user and the client.

The other one I would like to get a sense of—and maybe you'll put a further written submission in, but very specific—is your third priority: the government's investment in training and resources for caregivers. For someone like me—you're on the front lines; you know your world. I need to see concrete examples of the types of things that we can then do, and we can try to push and help the government, partner with the government, to put actual good systems in place that are practical. I think you used the words earlier that you want to be engaged; you want to be part of that process if there's significant change. You're on the front lines.

One of the challenges that I've seen in my four years of government is, we design a lot of systems but we don't

always consult the people who are actually the implementers; then we go back and spend a lot of money on resources and systems and not on front-line patient care. That's what I hear the most from the public: “I want the care when I need it. I don't want to have to go through five different agencies. I don't want to have to have 14 administrators. I want the care.” As opposition critic, it's one of the things I certainly hear a great deal about.

That home care service, again—we fought very hard to keep a restorative care program in the community of Chesley that really gave valuable care to transition to get you home, so that when you come, they're prepared, they're ready and the resources are there. We all know that it's very expensive to keep someone in hospital if they can be at home, but you also need—and I think the other thing you touched on was that acuity of care. Knowing that you haven't had an increase in six years, knowing where that demographic boom is coming, and you're trying to deal with more complex cases—well, that increase is obviously going to be very daunting.

Any final comments on specifics?

Ms. Jo-Anne Poirier: I think that there are very pragmatic ways that we can resolve some of those issues. An example of the caregiver training would be as simple as how to lift safely. You can see the impact. If you don't do that, then you have another patient on your hands.

We look forward to working with the government. We're very grateful for the investments that have been made, and we certainly want to be part of the solution.

Mr. Bill Walker: Thank you.

The Chair (Ms. Soo Wong): Thank you very much for your presentation as well as your written submission. If there's any additional information that you want to share with the committee, you have until Tuesday, February 2, at 5 p.m.

Ms. Jo-Anne Poirier: Thank you very much.

The Chair (Ms. Soo Wong): Thank you. Have a good afternoon.

Committee members, I'm going to adjourn the committee till Monday, February 1, in Toronto at 9 a.m.

The committee adjourned at 1605.

Continued from back cover

Hospice Care Ottawa.....	F-1140
Mr. Stephen Whitehead	
Mr. John Laframboise	
Ottawa Tourism.....	F-1142
Mr. Dick Brown	
City of Ottawa.....	F-1144
Mr. Saad Bashir	
Innovation Centre at Bayview Yards; Invest Ottawa.....	F-1147
Mr. Jeff Westeinde	
Mr. Bruce Lazenby	
Eacom Timber Corp.....	F-1149
Ms. Christine Leduc	
Victorian Order of Nurses Canada; Ontario Community Support Association	F-1151
Ms. Jo-Anne Poirier	

STANDING COMMITTEE ON FINANCE AND ECONOMIC AFFAIRS

Chair / Présidente

Ms. Soo Wong (Scarborough–Agincourt L)

Vice-Chair / Vice-Président

Mr. Peter Z. Milczyn (Etobicoke–Lakeshore L)

Mrs. Laura Albanese (York South–Weston / York-Sud–Weston L)

Mr. Yvan Baker (Etobicoke Centre / Etobicoke-Centre L)

Mr. Toby Barrett (Haldimand–Norfolk PC)

Mr. Victor Fedeli (Nipissing PC)

Ms. Catherine Fife (Kitchener–Waterloo ND)

Ms. Ann Hoggarth (Barrie L)

Mr. Peter Z. Milczyn (Etobicoke–Lakeshore L)

Ms. Daiene Vernile (Kitchener Centre / Kitchener-Centre L)

Ms. Soo Wong (Scarborough–Agincourt L)

Substitutions / Membres remplaçants

Mr. Steve Clark (Leeds–Grenville PC)

Mrs. Marie-France Lalonde (Ottawa–Orléans L)

Mr. Jim McDonell (Stormont–Dundas–South Glengarry PC)

Mr. Bill Walker (Bruce–Grey–Owen Sound PC)

Also taking part / Autres participants et participantes

Ms. Lisa MacLeod (Nepean–Carleton PC)

Hon. Yasir Naqvi (Ottawa Centre / Ottawa-Centre L)

Clerk / Greffier

Mr. Katch Koch

Staff / Personnel

Ms. Mercedes Lee, research officer,
Research Services

CONTENTS

Friday 22 January 2016

Pre-budget consultations	F-1093
Advocis	F-1093
Mr. Kris Birchard	
Registered Nurses' Association of Ontario	F-1095
Ms. Wendy Pearson	
Champlain Region Family Council Network	F-1097
Ms. Grace Welch	
National Coalition Against Contraband Tobacco	F-1100
Mr. Gary Grant	
Ottawa Chamber of Commerce Environment and Sustainability Committee	F-1102
Mr. Don Anderson	
Chemistry Industry Association of Canada	F-1104
Mr. Bob Masterson	
Probation Officers Association of Ontario	F-1106
Ms. Elana Lamesse	
Ottawa Centre EcoDistrict	F-1109
Mr. Don Grant	
Alliance to End Homelessness Ottawa	F-1111
Mr. Mike Bulthuis	
Beth Donovan Hospice	F-1114
Ms. Dawn Rodger	
Police Association of Ontario	F-1117
Mr. Bruce Chapman	
Interfaith Social Assistance Reform Coalition	F-1118
Mr. Joe Gunn	
Ottawa Health Coalition	F-1120
Mr. Albert Dupuis	
Ms. Nancy Parker	
Ms. Mary Catherine McCarthy	
Alterna Savings and Credit Union Ltd.	F-1123
Ms. José Gallant	
West Ottawa Board of Trade	F-1125
Ms. Rosemary Leu	
Mr. Rick Chase	
Ottawa-Carleton Detention Centre	F-1128
Mr. Denis Collin	
Air Transport Association of Canada	F-1130
Mr. Michael Skrobica	
Cornwall and District Labour Council	F-1132
Ms. Elaine MacDonald	
Ottawa and District Labour Council	F-1134
Ms. Marlene Rivier	
Cement Association of Canada	F-1136
Mr. Steve Morrissey	
Children's Hospital of Eastern Ontario; Roger's House	F-1138
Ms. Marion Rattray	
Ms. Kimberley Jordan-Waara	

Continued on inside back cover

F-36



F-36

ISSN 1180-4386

Legislative Assembly of Ontario

First Session, 41st Parliament

Assemblée législative de l'Ontario

Première session, 41^e législature

Official Report of Debates (Hansard)

Monday 1 February 2016

Journal des débats (Hansard)

Lundi 1^{er} février 2016

Standing Committee on Finance and Economic Affairs

Pre-budget consultations

Comité permanent des finances et des affaires économiques

Consultations prébudgétaires

Chair: Soo Wong
Clerk: Katch Koch

Présidente : Soo Wong
Greffier : Katch Koch

Hansard on the Internet

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. The address is:

<http://www.ontla.on.ca/>

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 416-325-3708.

Le Journal des débats sur Internet

L'adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance est :

Renseignements sur l'index

Adressez vos questions portant sur des numéros précédents du Journal des débats au personnel de l'index, qui vous fourniront des références aux pages dans l'index cumulatif, en composant le 416-325-7410 ou le 416-325-3708.

Hansard Reporting and Interpretation Services
Room 500, West Wing, Legislative Building
111 Wellesley Street West, Queen's Park
Toronto ON M7A 1A2
Telephone 416-325-7400; fax 416-325-7430
Published by the Legislative Assembly of Ontario



Service du Journal des débats et d'interprétation
Salle 500, aile ouest, Édifice du Parlement
111, rue Wellesley ouest, Queen's Park
Toronto ON M7A 1A2
Téléphone, 416-325-7400; télécopieur, 416-325-7430
Publié par l'Assemblée législative de l'Ontario

LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRS

Monday 1 February 2016

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUESLundi 1^{er} février 2016*The committee met at 0900 in room 151.*

PRE-BUDGET CONSULTATIONS

The Chair (Ms. Soo Wong): Good morning. I'm going to call the Standing Committee on Finance and Economic Affairs to order. We are in Toronto.

Ms. Albanese.

Mrs. Laura Albanese: Thank you for recognizing me, Chair. I would like to ask for unanimous consent on a motion.

The Chair (Ms. Soo Wong): Unanimous consent has been asked of the committee. To do what, Ms. Albanese?

Mrs. Laura Albanese: To move a motion.

The Chair (Ms. Soo Wong): Okay, does everybody agree to this request?

Interjections.

The Chair (Ms. Soo Wong): I think she's going to read it.

Mrs. Laura Albanese: Yes, I shall read it.

I move that the Chair of the Standing Committee on Finance and Economic Affairs extend an invitation to Minister Charles Sousa to attend pre-budget consultations on February 2, 2016, at 12 p.m. for 40 minutes; and

That Minister Sousa be called upon to provide the committee with an update on the pre-budget consultations that have been conducted by the government, with 10 minutes allotted to the minister's presentation, followed by 11 minutes for the official opposition, 11 minutes for the third party and eight minutes for the government for questions and a discussion on what the committee heard during pre-budget consultations.

The Chair (Ms. Soo Wong): Do we have any debate or comments on the motion?

Ready to vote, everybody? All those in favour of the motion? All those opposed? Carried.

TORONTO AND YORK REGION
LABOUR COUNCIL

The Chair (Ms. Soo Wong): We're back to the pre-budget consultations. Good morning. I believe the first group before us is the Toronto and York Region Labour Council. Mr. Cartwright, welcome. Thank you for being here.

You have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning

will be coming from the government side. You may begin any time. When you begin, please identify yourself for the purposes of Hansard. Thank you.

Mr. John Cartwright: Good morning. My name is John Cartwright. I'm the president of the Toronto and York Region Labour Council. It's hard not to address the Chair as Trustee Wong or one of your colleagues as Councillor Milczyn.

I'm here to talk about the 2016 budget and the labour council's presentation, which you have in front of you, along with an article that was published in yesterday's Toronto Star over my signature talking about the urgency of action on climate change.

I want to start the presentation by saying we have five principles that we think should be applied to this 2016 budget.

The first one is the urgency of climate change and applying a lens of climate change to all decisions being made by every ministry of this government. All of the new infrastructure needs to be designed to take into account the lowest possible carbon footprint. Economic development policies have to be designed along that way. Carbon trading: The funds from that should be reinvested in green technology.

I have long experience in the issues of a green economy and green building, heading up the building trades council in the early 1990s, when we had terrible unemployment, and seeing the opportunities that were created through the Toronto buildings partnership, putting thousands of tradespeople and apprentices back to work doing energy retrofits, buildings coming out much more competitive in terms of carrying costs, and massive reductions of CO₂ emissions. That was extended across the country through the Federation of Canadian Municipalities' green building fund. Those kinds of initiatives need to inform every kind of decision that this government is making in all of its policies and can lead to tremendous opportunities for jobs.

I was fortunate to be one of the Canadians in Paris at the COP21 summit and saw the incredible advances that have been made in Europe. In fact, we are 10 years behind many of those jurisdictions. While people think about Germany and Denmark, in fact, the French are far ahead of us on every aspect of this kind of work. Of course, when you invest in climate change adaptation/mitigation, you create not only good things for the earth, but also tremendous potential for jobs and business opportunity.

I have bargained collective agreements for most of my adult life, and I have to say that we all have to know that I can bargain 10 cents an hour more for people and you can make the best decisions for government, but if we don't tackle the issue of climate change and our grandkids cannot breathe the air and drink the water, we will all have failed.

That's why the labour council is saying to every level of government that the first issue is understanding the commitments that we made in Paris—that Premier Wynne made, that Glen Murray made, that Justin Trudeau made, that every Premier and environment minister and the mayor of Toronto all made—to embrace a significant reduction of CO₂ emissions. That has to infuse into the decisions of this committee, because money is politics. We can have all the best policies in the world, and if you're not weaving that thoroughly into every aspect of your finances, we're not doing our appropriate job.

The second issue is on revenues. I've appeared in front of a number of pre-budget consultations, and I'll always remember, each time Minister Dwight Duncan was holding one of those and talking about money being tight, we would say, "Well, excuse me. You've just reduced corporate taxes yet again, and that's going to cost hundreds of millions of dollars." Every budget has two aspects, an expenditure and a revenue aspect, and you keep reducing public revenues. That's crazy.

In fact, we've seen what has happened with the money that corporations have saved from almost \$2 billion less in corporate taxes that they pay into public revenue: some \$600 billion in "dead money," as the Bank of Canada chief talks about, and an orgy of mergers and acquisitions. That's what they are doing with the money. They're not investing it in new product and new capacity. They're not investing it in new workforces or decent jobs. They are taking it and running, laughing, to the bank, while ordinary people are paying far more in user fees and far more to the private sector, and the public services they rely on are being stretched all the time.

In priority 2, we talk about the things you could do to restore public revenues. That's instead of the ludicrous concept of selling Hydro One. I have to say in the strongest possible way that our labour movement as a whole objects to the privatization of Hydro One. We think it's not only wrong-headed, but when we look back in Europe, in many cases they're bringing hydro systems back into public control because they need that as a key environmental tool to sustain and achieve the goals that are there. And the money does not pay back. You're losing the golden goose in terms of revenue for one-time fixes, which is very short-sighted.

The third priority we talk about is the structural inequities and ideological distortions left over from the Harris years—and, I might add, some of the Harper years as well.

I was with Art Eggleton recently and looked at his report on Toronto Community Housing and the tremendous difficulties that that organization faces: \$2.6 billion

in backlog just to make those houses achievable, let alone the kinds of opportunities that are there to do energy and green design in those upgrades. In the report, he points out that the province's contribution to Toronto Community Housing's operations has been reduced in the last few years, from 31% of the total to less than 10% this year. That's irresponsible. That's downloading that was started by the Harris government and continues to this day.

We still have transit that is not being supported by the operating funds that are required. We have the funding formula for schools, which is still wrong and does not adequately support our schools. What we have instead is more and more privatization of key services like transit systems and hospitals, and you're going to hear a lot about that from many other deputants.

The fourth point is equity. This province, I think, with this Premier, has somebody who cares deeply about equity in all its forms. But we have to find a way that equity is woven through budget decisions and ministry decisions. We want to ensure that more people have better incomes, and the way to do that is to improve workers' rights to have unions, to raise the minimum wage, to update employment standards.

We've worked with Metrolinx and the province to create the Toronto Community Benefits Network and community benefits at Metrolinx. Those are the kinds of things that I think the province is talking about putting in all of the IO infrastructure. That has got to be part of everything we do in the future.

0910

Finally, social infrastructure: We know the aging population is putting more and more strain on our budgets, on health care and social service budgets. We need to look clearly at, as Gretzky says, not where it is today but where it's going to be some years from now around aging demographics, but also around obesity and health issues for young people, around social services that stop youth violence, and then that allows the next generation of affordable post-secondary education. I think you're going to hear about that later on this morning.

Our labour council represents over 205,000 women and men who work in every sector of the economy. We've been at this discussion for 145 years. For 145 years, the labour council has, just in Toronto, led the fight for social, economic, racial and environmental justice in our city, our province and our country.

I thank you for taking our submission this morning.

The Chair (Ms. Soo Wong): All right. Thank you, Mr. Cartwright. I'm going to Ms. Hoggarth in this round of questioning.

Ms. Ann Hoggarth: Good morning. Thank you, John, for your presentation. I enjoyed your article in the Star. Believe me, Minister Murray does look at everything that the government does through a climate change lens. We are very lucky to have such an enthusiastic minister.

Mr. John Cartwright: Absolutely.

Ms. Ann Hoggarth: Also, the actions that we've taken, such as changing some of the materials that are

used in building—we financially support solar energy and we are investing a lot in infrastructure. We think that's very important and that does contribute to climate change. Actions like this, besides helping to reduce climate change, also, as you say, create jobs and help our economy. I'd like to thank you for your positive comments and suggestions in the article.

Before our government came to power, the minimum wage was frozen at \$6.86 for eight years. We knew that Ontarians deserved and expected more than this. Last year we took the politics out of Ontario's minimum wage through the Stronger Workplaces for a Stronger Economy Act of 2014. Minimum wage increases are now tied to inflation.

In light of this, how has this positively affected the workers in the Toronto and York Region Labour Council?

Mr. John Cartwright: Well, I led the fight for the \$10 minimum wage and in fact sat down and met with Greg Sorbara to shape what he was going to announce at a budget some years ago, when it went from \$8 to \$10.25 over three years. That has been a positive improvement for many people.

But believe me, there are far too many Ontarians right now working for poverty wages, working two or three jobs with precarious situations and more and more working for temp agencies, often for multi-billion dollar companies. Those same multi-billion dollar companies, which have had their tax rates reduced, are paying poverty wages.

In fact, in some cases in the States, they're looking at something called a low-wage employer tax. Because when companies rely on a poverty-wage business strategy, it means that the public sector picks up on subsidized housing, subsidized transit, subsidized health care etc.

We have to raise the minimum wage but, more importantly, we have to strengthen workers' rights to have collective representation—that's what trade unions are about—in order that they can actually bargain not only increased wages but also benefits. The fact that the vast majority of people with no union have no pension tells us we're going to have a crisis of retirement in the next period of time. The fact that the vast majority of non-union companies don't actually properly train apprentices tells us why we have to have a strong commitment to apprenticeship and taking those skills for a green economy.

I have no doubt that Minister Murray is a fine advocate for that. I've known Glen for a long time and meet with him from time to time. I also understand bean counters. You're on a budget committee and there are people here, as I've seen time and time again in my years of work, who count the beans, count the pennies, and don't think about the operating costs down the line.

I know, in the past, when we've built, for instance, co-operative housing, we had a financial frame and, for 3% more, we could have reduced operating costs 10% to 15% every year after that, but the bean counter had built

a different frame. So when we say that you need to put a green lens on every decision, that means your job as a finance committee, is to go and fight within the government—and the opposition parties to fight as well—to demand that the climate change action lens—the commitments we've made in Paris—is actually the number one priority on all decisions.

Ms. Ann Hoggarth: Thank you.

The Chair (Ms. Soo Wong): Thank you very much, Mr. Cartwright. Thank you for your written submission, as well.

ONTARIO HEALTH COALITION

The Chair (Ms. Soo Wong): The next group before us is the Ontario Health Coalition. Good morning. Welcome back. I know you're a familiar face, Natalie.

As you've probably heard, you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from the official opposition party. You may begin at any time. When you begin, can you identify yourself for the purposes of Hansard, please? Okay. Thank you.

Ms. Natalie Mehra: Sure. Thank you very much. My name is Natalie Mehra and I'm the executive director of the Ontario Health Coalition.

Usually when we appear before the Standing Committee on Finance and Economic Affairs, we focus on the key-issue areas in which we are doing work: hospital care, long-term care, home care and primary care. This year we've decided, because of the seriousness of the situation, to focus our presentation and our submission on one topic only, and that is the topic of hospital cuts.

It is our recommendation to the government that the hospital cuts must stop immediately, and that Ontario's hospital funding levels must be increased to meet at least the provincial average of the other provinces in order to stop the devastating cuts to local hospital services and restore care.

The evidence is that Ontario's government has cut hospital care to the lowest level of all provinces in Canada. As illustrated in the charts in our submission, you can see that Ontario now has, by far, the fewest hospital beds left of any province in the country. That's by a significant margin: Ontario has 2.3 hospital beds per thousand; the average of the rest of Canada is 3.5 hospital beds per thousand.

In fact, it's not only by national indicators that we are at the bottom in terms of the number of hospital beds left, but looking at the entire OECD—I'm plotting Ontario against the OECD chart for hospital beds per thousand population—Ontario has now dropped to third from the bottom, followed only by Chile and Mexico, and is far, far below the OECD average.

Another key indicator of the levels of hospital care available is the level of nursing hours per weighted care or per average patient stay. Ontario is far below the rest of the country in terms of nursing hours per patient. As of 2011-12, the latest year for which data is available, we were 6.1 hours below the average of the rest of the

country, and that gap has grown significantly. It grew by 69% between 2007-08, the first year in which hospital budgets were held at less than the rate of inflation, and 2011-12.

Eight years of real dollar hospital cuts mean that Ontario has dropped to the bottom of the country in hospital funding by every reasonable measure. On a per person basis, we are second last, followed only by Quebec, and we are far below the national average. Ontario funds our hospitals at \$500 less per patient than the average of the other provinces in Canada.

As a percentage of provincial GDP, which is the measure of sustainability, Ontario is second from the bottom of the country and far below the national average.

As a percentage of provincial program funding or spending on all government programs and services, Ontario is third from the bottom of the country, followed by Saskatchewan and Quebec, and far below the average of the rest of the country.

The evidence is that Ontario has cut hospital beds and services more than anywhere else in Canada and that there is significant room, both on a sustainability basis and a per capita basis, to improve hospital funding.

The consequences for patients are now profound. I was on a radio show recently and a woman called in. Her friend had been taken to the emergency department—she had cancer—and her friend and her husband had accompanied her to the emergency department. They were told that she would be staying in the hospital overnight, so they went home. But the hospital needed her bed and, in the middle of the night, they discharged her and sent her home in a taxi. She was so weak that she was unable to knock at her door and wake up her husband to let her in the house. She collapsed on the front steps of her house and she waited until morning; her husband found her when he went out, ironically, to go to the hospital to see her. This is not the only case in which we hear of hospital patients discharged so frail that they cannot get up the front stairs to their own house.

0920

We hear routinely of patients left—I know that our local coalitions have presented this to you across the province—on stretchers for days in hallways in hospitals—hospitals that are the most overcrowded in the entire industrialized world. Surgeries are being cancelled. In southwestern Ontario, more than 500 surgeries have been cancelled and will not be restored until the end of this fiscal year, which is after April, because there is no budget money left for those hospitals to provide surgeries. Patients in Woodstock are being told that they can't get cataract surgery until after April. But if they'll get on a bus, their doctor will set up an appointment at a private clinic where they could pay \$1,000 to get their medically necessary cataract surgery—in violation of the Canada Health Act.

It is beyond time that the hospital cuts in Ontario stop. Thank you.

The Chair (Ms. Soo Wong): I'm going to turn to—Ms. Munro, are you going to take the lead for this question? Mr. Barrett; go ahead.

Mr. Toby Barrett: Thank you, Chair. Thank you to the Ontario Health Coalition. We've had a number of presentations on health over a number of days at the finance committee, some of them focusing on hospitals. I know there's one that stands out in my mind. It was the Sault regional hospital. We talked about activity-based funding and how that has changed—and this has certainly been pointed out over the previous week—essentially a zero-funding environment over four years, and the talk of how this shakes out as far as the cost of living and what have you, a decrease in real terms.

We heard a lot about downsizing and consolidations. I know your brief makes mention of Niagara service cuts and bed cuts, and the result of that and the impact on mortality, morbidity and infection. I assume all of this can be measured—we haven't really seen a lot of concrete numbers before this committee about the impact of releasing patients early, which has been going on for a number of years.

The reasons for this: You make mention of the freezing of budgets and other factors such as the increase in the cost of electricity; the increase in the hospital budgets to purchase drugs and medical supplies, for example; and 70% of the cost, which is an increase in cost for the Sault hospital, is compensation and pensions.

Do you have any comments on this mix? Is this basically how your organization sees it?

Ms. Natalie Mehra: Yes. In fact, the staff complement has been reduced quite dramatically over the 15 years that I've been the executive director of the Ontario Health Coalition, as a share of hospital spending. I think you're completely right that costs are escalating. What's important to note is that Ontario has frozen hospital global budgets for the last four years. So in real dollar terms those are cuts, but for the four years preceding that they also increased hospital funding at less than the rate of inflation. That's the longest stretch in Ontario's history of hospital cuts, and there's no end in sight.

Today, planning bears no relationship to actual population need for services. The last actual measure of population need was in 1992, which was more than two decades ago now, and there is no plan to even try to meet population need for care. That is a huge problem that's causing enormous suffering across Ontario in the Soo, all across the north. All of the hospitals in northeastern Ontario are facing significant cuts, all across southern Ontario—hospitals of every size in every geographic region of the province.

Mr. Toby Barrett: The term that's used is "activity-based funding." I'm assuming that's a change from what I would call global funding. Does this take decision-making away from a hospital administrator?

Ms. Natalie Mehra: Absolutely. What it means is that it's really a set-up for a price-based competition for services. Hospitals get paid for volumes of services. They have to meet a volume and price target. They say it's a quality and price target, but really it's a volume and price target. If a hospital cannot meet the price target for cataract surgeries, for example, it doesn't get those

volumes of cataract surgeries; they're moved and patients have to travel across the province to the nearest hospital that provides cataract surgeries.

The vision is that every hospital would shrink the scope of services they provide and patients would have to travel from hospital A to B to C to get different services: over here for your cataracts; over there for your hips and knees; over there for your MRIs.

Without really telling Ontarians openly, the plan is to dismantle community hospitals that Ontarians have built over the last 100 years and create specialty sites in different areas and force patients to travel. What it also means is that there are quotas, and once a hospital reaches its quota, say, for hip and knee surgeries, as has happened in London and Woodstock, they can't do any more regardless of community need. So in winters when it's icy and people fall and there are a lot of hip surgeries that are needed, once that money is used up, everyone who is waiting for surgery then has to wait till the start of the next fiscal year. There's no relationship whatsoever to actual patient need.

Mr. Toby Barrett: You mentioned that with the coalition there are 400 member organizations. Is the Ontario Hospital Association a member?

Ms. Natalie Mehra: No.

Mr. Toby Barrett: Or the OMA?

Ms. Natalie Mehra: No. We represent seniors' groups, patients' groups, unions—all of the groups that support public health care in Ontario.

Mr. Toby Barrett: Hospital beds per 1,000 population—the figures here are Ontario at 2.3. I represent a riding of about 110,000 people. We're about half that; I'd like to get up to the 2.3 level, but that's probably not going to happen in rural Ontario.

Ms. Natalie Mehra: What we've seen is that rural Ontario has been particularly devastated by the hospital cuts, particularly those hospitals that were amalgamated in the 1990s. Amalgamation was meant to capture administrative savings. It was not meant to be a carte blanche to close down entire communities' hospitals, gut their services, dismantle their emergency departments, but that is exactly what's happening now. We are seeing yet again—

Mr. Toby Barrett: You're referring to the process where a new hospital was built.

Ms. Natalie Mehra: No, just existing small and rural hospitals that are under threat now of total closures in all parts of Ontario.

The Chair (Ms. Soo Wong): Okay, Mr. Barrett, I'm going to need to stop you there.

Mr. Toby Barrett: Thank you.

The Chair (Ms. Soo Wong): Thank you very much for your presentation and your written submission.

The next group before us is the Canadian Federation of Students of Ontario. I want to see if they're here. Mr. Woods, we're familiar with.

While the next group is coming before us, the clock at the back is not accurate; it's slow. I'm going to go

through based on my BlackBerry, just so everybody knows. That clock is slow.

Is the Canadian Federation of Students of Ontario here?

I'm going to call the next group.

ONTARIO COALITION FOR BETTER CHILD CARE

The Chair (Ms. Soo Wong): Is the Ontario Coalition for Better Child Care here?

Ms. Carolyn Ferns: I'm here, yes.

The Chair (Ms. Soo Wong): Good morning. Welcome, Ms. Ferns. Come on down.

Interjection.

The Chair (Ms. Soo Wong): Perfect. We're really pleased you're here on time. Thank you very much for being here. Ms. Ferns, I'm just going to let you catch your breath. You look like you have some handouts for us.

Ms. Carolyn Ferns: Yes, I do.

The Chair (Ms. Soo Wong): I'm going to get the Clerk to come around and pick it up from you so you don't have to do that.

Ms. Carolyn Ferns: Okay.

The Chair (Ms. Soo Wong): I just want to give you some instruction. When you begin, please identify yourself for the purposes of Hansard. You have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from the official third party. You may begin any time.

0930

Ms. Carolyn Ferns: Thank you. My name is Carolyn Ferns. I'm the public policy coordinator for the Ontario Coalition for Better Child Care. We are Ontario's central advocacy group for a universal, affordable, high-quality system of early childhood education and care.

We were formed in 1981. The OCBCC is a member organization comprised of non-profit child care centres, provincial and local groups, and individuals from all across Ontario. Our members are early childhood educators and parents, centre directors and trade unionists. Most importantly, we're people who care about child care.

There are few better ways to invest in Ontario and in Ontarians than by investing in child care. Child care is a key part of Ontario's social infrastructure supporting the parent workforce. Studies show that child care creates ripple effects in local economies. Research from Manitoba found that every \$1 of child care funding generated \$1.58 worth of local economic activity. Meanwhile, research on Quebec's affordable child care program by economist Pierre Fortin concluded that the Quebec program contributes more in increased government revenues than the program costs, providing an estimated annual net gain of over \$200 million to the provincial government. Funding child care makes economic sense.

This economic case joins long-standing arguments for funding child care, including benefits to child well-being,

child development, women's equality and poverty reduction, work-family balance and social solidarity. I feel that the Ontario government recognizes some of this research, and I know that it has been articulated as a priority.

Another priority that the Ontario government has articulated is closing the gender wage gap. I just want to talk for a second about how child care would impact that goal.

The Ontario government has pledged to close the gender wage gap, and as an organization that represents the perspectives of both parents and the child care workforce, our approach to this issue is grounded in two realities that make building a real child care system a key element in any strategy for closing the gender wage gap, and those are that the lack of affordable high-quality child care continues to limit many women's opportunities to participate in full-time work, training or education; and that the child care workforce, which is 97% female, continues to be underpaid and undervalued, as determined by Ontario's pay equity process. A real child care system would address these critical barriers to closing the gender wage gap.

Ontario, as I said, has articulated a vision—and this comes from Ontario's vision for the early years—of a province in which “children and families are well supported by a system of responsive, high-quality, accessible, and increasingly integrated early years programs and services that contribute to healthy child development today and a stronger future tomorrow.” That's from Ontario's early years vision. The Ontario government has committed to modernizing child care, including introducing a new Child Care and Early Years Act and providing a wage enhancement to staff.

We applaud the government for these steps. They are important way stations on a long journey. But while we appreciate the vision and these first steps taken, we question whether early learning and child care have been provided with adequate funds and, indeed, adequate policy support to make this well-supported system a reality for Ontario.

In Ontario today, we're still living with the results of chronic underinvestment in child care. We see the impacts of this underinvestment played out every day across the province. There are regulated child care spaces for only 23% of Ontario children aged zero to five years. If you include school-aged children, who are a particularly underserved group, that number drops further to spaces for only 17% of Ontario children.

Child care fees across Ontario are the highest in the country, with long wait-lists for fee subsidies in many areas. A recent report from the Canadian Centre for Policy Alternatives found that seven of the most expensive cities for child care are all here in Ontario: Toronto, Markham, Ottawa, Vaughan, Mississauga, Brampton and London. Compare the \$987 per month that Ottawa parents pay for a preschool space with the average fee of \$174 per month just across the river, in Gatineau, Quebec.

The child care workforce is key to quality programs. If we care about outcomes for children, we should care

about the child care workforce, because they're the ones who make these programs happen. They continue to experience low salaries, inconsistent working conditions and precarious work that is resulting in poor morale, job dissatisfaction and high staff turnover.

But we have an opportunity right now. I think we're in a unique position in 2016 in that we have a better opportunity than ever before to move forward on developing an early childhood education and care system. The recently elected federal government has committed to working together with provinces, territories and indigenous governments to build an early learning and child care framework. This commitment was confirmed in the ministerial mandate letters, and by the federal Minister of Families, Children and Social Development and the Minister of Indigenous and Northern Affairs.

This is the willing federal partner that Ontario has been waiting for. We know that is something that was articulated here in Ontario: waiting for this willing federal partner. Well, we have that willing federal partner now, so Ontario has an opportunity to be a leader on this framework. It's a chance that we really must seize. It's a time to step up on early learning and child care rather than step back.

In response to this federal commitment—I have handed this out today as well—the Child Care Advocacy Association of Canada, who is our federal counterpart and an advocacy group that works across the provinces on early learning and child care, in collaboration with community partners from across the country—and I was involved in shaping this document, and I can say that there was a lot of feedback that we sought from the community, from child care providers, from parents and different groups from all across the provinces. We developed a shared framework for building an early learning and child care system for all. This shared framework is designed to facilitate a collaborative intergovernmental and community process and serve as a foundation for a program that will grow, over time, to meet the needs of families, children and the child care workforce in all regions of Canada.

This is really our way of trying to contribute to this process. We feel that Ontario has an opportunity to be a leader on this, and we hope that you will adopt the principles in this shared framework.

To kick-start this process of transformation, we recommend that the Ontario government adopt the principles of the shared framework on an early learning and child care system for all, and begin a process of transforming Ontario's current child care market patchwork into a comprehensive system. We know this government has committed to modernizing child care, but this is the time that we can show the political will and the funding dollars to make that commitment a reality.

We recognize that this transformational change intergovernmentally that we're talking about, with the federal government and across the provinces and territories, and with indigenous governments, will take some time; it's a multi-year process. But we feel that to be a leader on this

transformational change—there is much that can be done immediately to address these issues of affordability, the child care workforce and underserved populations.

Recognizing the severe underfunding of Ontario child care, we call on the Ontario government to commit to new funding dollars: an immediate \$300-million annual fund to support child care services directly and kick-start a process of system transformation.

To begin to address the shortfall of child care spaces—as I said, only 23% of children have access—we recommend a \$100-million capital fund to increase spaces across the country, and an additional \$75 million to address the immediate system crises of program viability. We know that there are non-profit child care programs that are doing an excellent job, providing excellent-quality care, but cannot make a go of it because of financial viability as well as cuts to municipalities through funding formula changes. There are still 18 municipalities that are going to see cuts to their funding. Overall child care funding should be indexed to inflation.

We also call on, and we support the calls from the Association of Early Childhood Educators, the professional association, to establish a workforce strategy to ensure that staff with equivalent education and work responsibilities across the sector are paid professional pay for professional work, because we see that there's a huge range of pay for people with the same qualifications working in child care.

Funding and resources are needed to support system infrastructure, including data and research. There are many questions about the early learning and child care sector that we can't answer because we don't have sufficient data and research available.

The Chair (Ms. Soo Wong): All right. Thank you very much, Ms. Ferns.

Ms. Carolyn Ferns: Thank you very much.

The Chair (Ms. Soo Wong): I'm going to turn to Ms. Fife to begin this round of questioning.

Ms. Catherine Fife: Thanks very much, Carolyn, for coming in today and for sharing the information from both the national and the provincial levels. Thank you also for raising the gender gap, because this is a long-standing issue in early learning and care.

The government always points to the significant investments, and they tie it all together with full-day kindergarten. They lump it all together. FDK, I hope we can agree, is not child care, because people don't work from 9 to 3 o'clock in the day.

Can you talk a little bit about the impact? Five years ago, when Pascal brought forward his plan, at the behest of the government—it was called *With Our Best Future in Mind*—it did everything that pretty much you were talking about: building a sustainable program, using our current infrastructure in schools, community-based options. Yet it did have a negative impact on an already fragile sector. Can you talk a little bit about that? Because I think that dream is dead, although it is still going in Ottawa and Waterloo region.

0940

Ms. Carolyn Ferns: I would really agree with you on that, Catherine. That was *With Our Best Future in Mind*—and I had a chance to hear Charles Pascal speaking last summer, actually, on what had happened to the Pascal vision, what had been accomplished and what hadn't. He really articulated that there were significant gaps in between what his vision was, what he set out in that report, and what actually happened.

Certainly, full-day kindergarten is a great thing to have in Ontario, but because it only cherry-picked one part of Pascal's overall vision, it ended up having really dire unintended consequences on a lot of non-profit child care centres because they found those four-year-olds went to full-day kindergarten and that destabilized the program. Younger children are more expensive to pay for because they have higher staff-child ratios, so it had a financial impact on non-profit child care centres, which often operate right at the line anyway. It did have a big impact on non-profit child care and it's something that we're still feeling.

Definitely, what we're talking about now, with the opportunity that we have before us to move forward on building a comprehensive early childhood education and care system, is that we need to learn the lesson from that and definitely look at how we can grow the system, how we can build on what we have, but also keeping in mind that we don't want to be destabilizing programs that had been carrying the can for so long, that have been doing the good work of child care for so long. We don't want to leave them behind in rushing forward to a new vision.

That's actually why we've particularly tried to be really clear in talking about this shared framework. We don't think this is a quick fix; it's not something where we want the government to rush the money out the door, because we want to be sure to build it right. Those are the principles that we've put forward in this shared framework, our attempt to articulate that we really need to get it right this time.

Ms. Catherine Fife: I just also want to say, the evidence and the research with regard to investing in child care and the positive impact on the economy are well documented. We don't need any more working groups or framework groups or special committees; right? We don't need to examine this anymore.

The \$100 million in capital that you're asking for: You want to see that go to establish programs where the return on investment will be significant?

Ms. Carolyn Ferns: Yes, definitely.

Ms. Catherine Fife: Based on the report, the city centres—are you looking at that? Because rural child care is almost non-existent right now.

Ms. Carolyn Ferns: I think that rural child care is a big part of it. We actually set out that we need to be thinking about particularly underserved populations, and that's part of what a system can do. Right now, to a large extent, where child care opens or where child care closes is left up to the market. Those harder-to-serve populations—specifically, rural areas—are underserved for that

very reason. If we are growing a child care system, we need to be able to think about what we could do for those areas, definitely.

Like you said, it's important to think about making sure that those capital dollars are well spent. The Ontario coalition has long held that we want new investment in child care to be going to non-profit and public programs to make the best use of those dollars.

Ms. Catherine Fife: Thank you very much for clarifying that. There is an urgency here, though, don't you agree? We've seen closures in Sarnia, in Sudbury. We just lost a preschool program in Kitchener because it's not a sustainable strategy right now for the province of Ontario.

If only 23% of children in Ontario have access to regulated child care centres, how does Ontario compare across the country? Are we on par? Is this a systemic, national issue, or has Ontario been lagging behind?

Ms. Carolyn Ferns: I think it is an issue all across the country, but Ontario doesn't fare very well compared to our neighbours. We know that Quebec moved forward several years ago with an affordable child care program, which now serves about 40% of the children in that province. Next door in Manitoba, they've just had a commission on early childhood education and care and are moving forward with a plan to increase spaces, which builds on things they've already been doing.

The Chair (Ms. Soo Wong): Ms. Ferns, I'm going to stop you here. Thank you so much for your presentation and your written submission.

Ms. Carolyn Ferns: Thanks.

The Chair (Ms. Soo Wong): Okay, I'm going to make one more call. Is the Canadian Federation of Students of Ontario here?

CANADIAN CENTRE FOR POLICY ALTERNATIVES

The Chair (Ms. Soo Wong): Seeing none, I'm going to go to the next group, the Canadian Centre for Policy Alternatives—Ms. Sheila Block, and it looks like you have a colleague with you. Good morning. Welcome.

If you have any written submission, the Clerk can pick it up from you. If not, you can begin any time. You have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from the government side. When you begin, please identify yourself for the purposes of Hansard.

Ms. Sheila Block: My name is Sheila Block. I'm an economist with the Canadian Centre for Policy Alternatives' Ontario office. With me is my colleague Zohra Jamasi. I very much appreciate the opportunity to speak with you all today about the 2016 budget.

The economic and political landscape has changed quite dramatically since you held these hearings last year.

On the economic front, we have sustained low prices for oil and other commodities that have had a devastating impact on oil-producing provinces and have shifted the centre of economic activity from those provinces to

Ontario. The resultant fall in the Canadian dollar has had two effects: It has increased costs for consumers, but it has also increased the competitiveness of our exports. Some forecasters expect that only BC will have a faster GDP growth rate than Ontario this year.

We've also seen some pretty dramatic changes on the political front. We've seen an activist government elected in Ottawa, and increased infrastructure investment is a signature piece of its economic plan and platform, as is a recognition that deficit spending is a prudent course of action for the federal government. The public relationship between Queen's Park and Parliament Hill has moved from acrimony to collaboration.

Against this backdrop, we are seeing green shoots in the Ontario economy. The latest economic data for the third quarter shows an acceleration in economic growth to an annual rate of 3.5%—a rate that we haven't seen for at least a couple of years—and it seems like the long-awaited renewal of manufacturing exports might have begun. Auto exports grew at 7% in the third quarter. Based on these third-quarter numbers, the Financial Accountability Office expects that real growth in Ontario this year will exceed the forecast in the Minister of Finance's fall economic update. This trend is good for Ontarians, it's good for the economy and it's good for government finances. However, we've seen these green shoots before, so we're going to need to wait for more data to see if it holds.

One of the bleak spots in the province's economic outlook is government current expenditures. The third quarter saw a decrease in real government spending of 0.3% compared to the second quarter. We know that if we looked at that on a per capita basis, that fall would be larger because the population is growing. We also know that that third-quarter result isn't an anomaly. In this fiscal year, real per capita program expenditures were 5.7% below what they were in fiscal 2010, and this is largely because the government has been blindly sticking to a commitment it made five years ago to reach a zero deficit in 2017-18. It's been a rough five years for the economy, with uneven growth moving in fits and starts. Revisiting that deficit target would be prudent.

The provincial government has committed to an ambitious capital investment program, which we need, but it's relying too heavily on program spending restraint to meet that deficit goal, and we have to remind ourselves what that program spending is. It's paying for the nurses who care for us when we're sick. It pays for daycare so that we can get to work and we know that our kids are safe. It makes sure that our roads are cleared in winter so that we can get around safely. It also pays for those income supports like OW and ODSP so that when we're going through tough times and need our social safety net, it's there.

The government can take its foot off the brakes on program spending. If this third-quarter trend continues, the government could meet its target without these cutbacks, and it doesn't have to meet that arbitrary deficit goal. I did an analysis of Ontario's debt-to-GDP ratio

over the past 25 years—it's fascinating; should you have any trouble at night going to sleep, you might want to read it—and found that the increase in that ratio since 2008 was similar to the increase after the 1990 recession. So that increase and that ratio isn't something ahistorical, isn't something that unusual. Of course, part of that is because we're facing very much lower interest rates now than we were at that time.

0950

What that left us with is that we know that Ontario is not about to slam into a debt wall. The government does have choices about debt and deficit. It can delay its zero-deficit plan by a few years in order to help steward a stable economic recovery and protect the quality of public services. It can also increase tax revenues to pay for those services that we need. Finally, it can negotiate hard with the federal government for increased transfers to rebuild our infrastructure and help our bottom line.

I'm really hopeful that the government will correct its course and continue to provide the high-quality public services that we all rely on. Thanks.

The Chair (Ms. Soo Wong): Thank you very much. I'm going to turn to Ms. Vernile to begin this round of questioning.

Ms. Daiene Vernile: Sheila, thank you very much for coming and appearing before this committee today, and for offering your information looking at Ontario's economy. I would agree with you that we're very encouraged to see that we now have an activist government in Ottawa that's committed to investing in infrastructure, as Ontario has also committed to doing. You've described us as going from having an acrimonious relationship to now having one of collaboration. I appreciate you noting that.

You also looked at the fact that our economic growth in the third quarter in Ontario is at 3.5%, which is a very dramatic increase. You also talked about manufacturing—some very good starts there.

I'm the MPP for Kitchener Centre. In my region, in Waterloo region, we have some very exciting news there. I had a recent conversation with the head of our workforce planning board; her name is Carol Simpson. She told me a figure that was absolutely stunning, and that is that currently we have 2,000 jobs in manufacturing and advanced manufacturing. These positions are sitting empty right now. We're trying to find people to fill these jobs. That in itself is a great indication that our economy—well, according to the KW chamber of commerce, they described it as “smoking hot,” not only in our region but in Ontario.

I'd like you to comment, if you could, on the kind of relationship that you would like to see between Ontario and Ottawa, and what this could mean for the Ontario economy.

Ms. Sheila Block: I think what both governments have actually identified is a need for infrastructure investment. But we also know, from the good work of the Mowat institute, that, really, Ontario has not gotten its fair share of transfers from the federal government. We're very hopeful that with both the political support

and the similarities in terms of the kind of policy approach, we will see a shift in that approach from the federal government and see an increase in transfers, and that will support, as we said, both the capital side, but also free up more money so that operating expenditures won't have to be cut back as dramatically as they currently are in the fiscal plan.

Ms. Daiene Vernile: The province has announced more than 200 infrastructure projects. What do you think that's going to mean for the average Ontarian?

Ms. Sheila Block: I can't really speak to what the impact would be for an average Ontarian. What we do know is that infrastructure investment increases the productive capacity of the economy. It has the potential to have positive impacts on environmental issues and on income inequality issues. It depends on how it's done. But I really have to emphasize that if, at the same time, there are cutbacks in operating spending, there will be negative impacts, very much so on Ontarians in terms of a loss of those kinds of services that we all rely on.

Ms. Daiene Vernile: Sheila, thank you very much. We appreciate your analysis.

Ms. Sheila Block: Thanks a lot.

The Chair (Ms. Soo Wong): Thank you very much, Ms. Block. Now, you have until tomorrow afternoon at 5 p.m. to make any written submission to this committee—because I noticed you didn't have any handouts for us. If you want to hand in any written submissions, you have until 5 p.m. tomorrow afternoon, okay?

Ms. Sheila Block: Thanks a lot.

The Chair (Ms. Soo Wong): Thank you very much for being here.

CANADIAN FEDERATION OF STUDENTS—ONTARIO

The Chair (Ms. Soo Wong): I believe the Canadian Federation of Students—Ontario is here. Welcome, gentlemen. Come on down. Yes, we will allow your time. You were supposed to be here at 9:30. I'm just going to make sure that you've got this straight. While you're getting yourselves organized, if there are any handouts, the Clerk is coming around to pick them up from you. He will distribute them to the members. He can do that for you.

I'm going to give you some instructions for this presentation. You have 10 minutes for your presentation, followed by five minutes of questioning. This round of questions will be coming from the official opposition. When you begin, please identify yourself for the purpose of Hansard. You may begin anytime. Thank you.

Mr. Rajean Hoilett: Thank you. Hello, folks. My name is Rajean. I'm the chairperson of the Canadian Federation of Students—Ontario, which represents over 350,000 college and university students in the province, from Thunder Bay to Windsor.

I really appreciate being given some space here today to be able to raise student concerns and to talk about students' visions for the 2016 budget. I also would like to

apologize for us being late today. There was a mix-up on our end in terms of when we thought this was happening.

We just wanted to take you through our budget recommendations. The document that you have in front of you outlines nine recommendations for the 2016 budget.

Students realize that an educated population is key to the social and economic development of a society. Unfortunately, the cost of post-secondary education in Ontario has reached record highs and has become a major barrier to accessing post-secondary education in Ontario.

In an economy where over 75% of newly posted jobs require some form of higher education, many students make the difficult decision to take on loans to be able to attend university or college for a better chance at a stable financial future.

Over the past few decades the cost of education has continuously outpaced inflation and other costs of living, such as transportation and rent. In 2015, Ontario public colleges and universities effectively became privately funded institutions, with tuition fee revenue eclipsing public funding as a greater proportion of system-wide operating budgets. This is a stark contrast to 1992, when government support accounted for over 80% of institutional revenue.

Since the government has systemically underfunded public post-secondary education institutions, the burden has fallen onto students and their households to pay for increasingly inflated costs of higher education. Although pursuing higher education directly corresponds to higher debt loads, with undergraduates owing upwards of \$28,000 after graduation and post-graduate students owing an average of nearly \$35,000, this education does not guarantee meaningful, well-compensated full-time employment, adding additional economic uncertainty and displacing students' opportunities to be able to graduate and enter entry-level positions in a vulnerable job market.

The impact of high tuition fees, subsequently higher debt loads and poor job prospects after graduation is significantly more burdensome on young people from marginalized communities. Students from low-income communities are less likely to pursue higher education and more likely to take on interest-based loans to pay for their education, thereby investing more financial resources in their education than those with the financial means to pay the cost up front.

Additionally, because of disparities due to the result of things like systemic racism and misogyny, it takes longer for aboriginal students, for racialized students, for recent immigrants and for women to attain higher education and to pay back loans after graduating.

Ontario's high-fee and high-debt model with post-secondary education has continued to perpetuate existing inequalities that marginalized groups face in our communities.

Students from across Ontario are certain of their value in society as educated workers and as community members, but we are increasingly concerned with our ability to be able to contribute financially, politically and socially after graduation due to debt loads and to poor job prospects.

With these precarious circumstances in mind, students are proposing some recommendations that you can find here that call on the provincial government to renew its commitment to affordable and accessible post-secondary education. We're also really encouraged by the university funding formula review as a unique opportunity to be able to capitalize on some of these proposals.

I'm going to really quickly take folks through the nine proposals that students are calling for.

The first one that you can see, on page 10, is around "Grants not Loans." It's taking a page out of the government in Newfoundland and Labrador, where they've recently converted all non-repayable loans into needs-based grants.

The Ontario Student Assistance Program delivers a blend of repayable and non-repayable financial assistance to students through a mechanism that assesses a student's need and their financial circumstances.

1000

Like most public financial assistance programs, OSAP is delivered in partnership with the federal government, through the Canada Student Loans Program and the Canada Student Grants Program, which make up about 60% of total repayable and non-repayable assistance issued in Ontario. While both the federal and provincial levels of government frequently point to grants and bursary programs as evidence of their generosity, the reliance on loans-based financial assistance in the province, and Canada more generally, has created a very real debt crisis for college and university students.

Collectively, students owe upwards of \$17 billion to the federal government, and in Ontario, students owe \$8 billion to the provincial government. The average Ontario student graduates with \$28,000 of debt to repay a traditional four-year bachelor degree.

As costs continue to rise, students are increasingly turning to private loans, on top of public loans, to ease the financial burden of attending higher education, with debts to private lenders increasing by 53% over the last decade.

Sizable debt hinders graduates' ability to participate fully in social, economic and cultural life. It delays important milestones such as buying a car, owning a house, starting a family or owning a business, making student debt not only a burden for those who carry it, but for the provincial economy as a whole.

While loans-based financial assistance programs are often touted as pathways to ensure access to post-secondary education, for low- and middle-income students the reality is that this debt actually penalizes students who do not have the financial means to access post-secondary education. Due to the accrual of interest on outstanding loans, students on financial assistance often end up paying more for post-secondary education than those who can rely on their own savings account and their family's income to be able to pay for tuition fees and associated costs.

Moving towards an entirely needs-based, non-repayable model of financial assistance would ensure that

access to post-secondary education is not hindered by one's socio-economic circumstances. This transition towards an entirely non-repayable system of financial assistance would be logistically simple. Ontario can already use the OSAP infrastructure to figure out assessment and delivery of funds.

The province could learn some important lessons, like I mentioned, from Newfoundland and Labrador, which announced in 2015 that they would eliminate the provincial portion of student loans in favour of non-repayable grants. This is a move that we saw celebrated by students across the country.

In 2014-15, Ontario distributed over \$356 million in financial assistance and over \$1 billion in non-repayable grants and bursaries such as the Ontario tuition grant, the Ontario Access Grant, the Ontario Distance Grant, the Ontario Student Opportunity Grant and other scholarships. Repayable assistance only made up about 26% of provincial contributions to student aid, a small cost that could be easily absorbed by the province, alleviating a significant portion of debt owed by Ontario's college and university students.

Indeed, the Ontario government could save money through the elimination of the provincial portion of student loans, as it currently spends 0.019% of its GDP, or \$42.9 million, to pay for bad debt as a result of defaulted loans and bankrupt private career colleges.

The existing structures should also reshape to ensure that aid is going to students who need it the most. The Ontario tuition grant, for example, does not apply universally to all students; rather, it is based on need. The grant is contingent on students meeting a variety of arbitrary economic and demographic conditions. Family income capped at \$160,000 a year means that students from vastly different socio-economic circumstances are receiving the exact same grant, even if they don't need it.

The province should follow the example of the federal government and restructure some of its restrictive grants programs into a needs-based assessment model. A new grant program could also increase the value of non-repayable aid by investing money that goes towards provincial tuition and education tax credits. In 2014, the province spent upwards of \$335 million, almost as much as it issued in loans. These tax credits overwhelmingly benefit higher-income households, at the expense of low- and middle-income families.

If Ontario is truly invested in helping Ontario's most vulnerable communities gain access to college or university education, it should end its reliance on loan-based financial assistance and create a streamlined, cost-effective financial system of needs-based grants. The cost of this would be roughly \$350 million annually—

The Chair (Ms. Soo Wong): Mr. Hoilett, can you wrap up, please? Thank you.

Mr. Rajean Hoilett: I'll speak really quickly to the other recommendations. I apologize for running over time. I'm really nervous.

Our next recommendation is to reduce tuition fees in the province for all students by 50%. As I have spoken to

already, students in Ontario face the highest tuition fees in the country, and we view a universal reduction in tuition fees as being the most meaningful way to—

The Chair (Ms. Soo Wong): Mr. Hoilett, when I say, "Wrap up," it wraps up, okay?

I'm going to turn to Ms. Munro to start this round of questioning.

Mrs. Julia Munro: Thank you very much for coming here today. I have a couple of spinoff questions to the material that you've brought to us today.

When you work out the issue around student needs and the kinds of opportunities that are available at this time, I'm wondering if you look at the cost of the individual student. How much of the current tuition cost, or the general cost of having someone in a program—what kind of ratio is that, as a percentage, between what you pay as a student and what the taxpayer already pays, so to speak? Do you have a sense of what that balance is?

Mr. Faiz Ahmed: The balance currently ranges from institution to institution, depending on what level of funding individual institutions receive, either by provincial grants, philanthropy or funding from private donors at the university. That number ranges anywhere from 45% to 57%, depending on the institution. The individual student will cover within that range—of the institution's operating fees.

The Chair (Ms. Soo Wong): Can you identify yourself for the purposes of Hansard? Because you just answered a question from Ms. Munro, we need that information for Hansard.

Mr. Faiz Ahmed: Certainly. My name is Faiz Ahmed. I'm the researcher at the Canadian Federation of Students—Ontario.

The Chair (Ms. Soo Wong): Thank you. Ms. Munro.

Mrs. Julia Munro: I appreciate that, just to give us a sense of that total balance.

A few moments ago, we were given—if I have it correctly—2,000 jobs waiting for people to fill. It raises another aspect in terms of post-secondary, and that is the fit between what's happening at those institutions and how quickly they are able to adjust to the market where the 2,000 jobs are. Can you offer any insight into shortcomings or really good strategies to make that fit?

Mr. Rajean Hoilett: One of the things that we're seeing is that students in this cohort are being left with less choices than generations before us. We are graduating with massive debt loads and are finding it more and more difficult to make the decisions that our parents were able to make; to be able to make the decisions to invest in a business or to start up our own businesses; or to take chances or to go to college and to expand our training, to be able to better fit or meet a job market.

What we're seeing is that this burden of debt is making it more and more difficult for students to be able to make those choices and has contributed to students not being able to engage meaningfully in the job market.

Another thing that we are also seeing is an erosion of entry-level positions in favour of things like unpaid internships. Employers now have the opportunity to rely

really heavily on unpaid internships. Those are positions that used to be an employee's first step into a company and an opportunity for them to learn and grow and to get trained, and we're seeing that be shifted onto colleges and universities. We're seeing students not being paid for the work that they do, and not being able to find work after they graduate, even though there are these jobs that we continue to talk about.

1010

Mr. Faiz Ahmed: I'll just add a little bit more to that. The understanding that university or post-secondary education as a whole should be malleable and very quick to adjust to job market trends is an interesting new development in the province of Ontario. We're seeing this with the Premier's highly skilled workers panel; we see this with the change in the funding formula review.

There's a fundamental basis to that type of restructuring. It assumes that universities, within a four-year time period, can understand and estimate—predict, if you will—what the economic outcomes will be of society as a whole.

We find that to be somewhat problematic, because it is very difficult to see what the general trends in the economy are. It's very interesting that there are 2,000 jobs being created in a particular jurisdiction where there is post-secondary education, but to assume that a university or the post-secondary education in that jurisdiction would have been able to identify that those 2,000 jobs would be there requires, I think, more fleshing out. We need to understand what are the mechanisms by which post-secondary institutions would be able to anticipate that, because the general public, in many cases, is unable to anticipate that, and government, in many cases, is unable to anticipate that.

Mrs. Julia Munro: I agree with you: There's a little element of crystal ball gazing here. But when you listen to the trends and directions that people are looking at, even if you had been here—I don't want to bring that publicly, but the various providers of submissions who have talked about, "This is the direction; this is the trend": Would you have a message that that's an area where the post-secondary world needs to do a better job?

Mr. Faiz Ahmed: I'm not certain that it is the role of post-secondary institutions to crystal ball where job creation is. We strongly believe that the role of post-secondary education is to create future workers to be intellectually able to positively affect the workplaces in which they engage.

The Chair (Ms. Soo Wong): I need to stop you here. Thank you so much for your presentation and your colourful written submission to all of us; very helpful. Thank you very much, gentlemen.

CO-OPERATIVE HOUSING
FEDERATION OF CANADA,
ONTARIO REGION

The Chair (Ms. Soo Wong): The next group before us is the Co-operative Housing Federation of Canada,

Ontario region. Welcome again. I think we see you regularly on an annual basis, which is always good. Good morning.

Mr. David Waters: Good morning.

The Chair (Ms. Soo Wong): Welcome. I believe the Clerk is coming around with your written submission. As you heard, you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from the third party. You may begin any time. When you begin, please identify yourself for the purposes of Hansard.

Mr. David Waters: Thank you. Good morning. My name is David Waters. I'm the president of the Ontario council of the Co-operative Housing Federation of Canada. I'm joined by Simone Swail, CHF Canada's Ontario region program manager of government relations.

We represent 550 non-profit housing co-operatives, home to some 125,000 people spread across the entire province and located in 97 of the 107 provincial ridings.

I'm very pleased to be here this morning to present our suggestions for the 2016 provincial budget to the committee. When I'm finished, Simone and I will be happy to answer any questions you may have.

We all understand that a safe, secure home is the foundation on which we build our lives. With an affordable home, we can raise a family, find and keep work, invest in training, and have enough money left over to put healthy food on our tables. But far too many families are finding an affordable home has become nearly impossible. Current estimates show that 273,000 Ontario households pay more than 50% of their income on rent. While we welcome the development that has happened under the Investment in Affordable Housing for Ontario program, the number of households on the social housing wait-lists continues to grow. It is estimated that at its current rate, it will take 73 years to eliminate core housing needs in Ontario. In the meantime, generations of Canadians face a near-insurmountable barrier to joining the middle class.

We're here to say it's time for real progress. The new federal government has recognized that this can't continue. They have clearly indicated that they plan to invest in affordable housing. They recognize that this investment will not only provide important stepping stones to low-income families but it will also help stimulate our economy. In effect, every dollar spent on construction of affordable housing increases the GDP by \$1.40 through its creation of new jobs and the use of locally sourced construction materials. We are calling on the province to partner with the new federal government and match their funding.

The ongoing update of the Long-Term Affordable Housing Strategy provides a unique opportunity to change the direction and to make a significant impact on the affordable housing crisis in Ontario. The current situation is not inevitable. We offer today five recommendations for real progress on affordable housing.

First, we ask the province to work with the federal government to protect co-op housing. Over the next five

years, 2,000 low-income households in Ontario are at risk of losing their co-op homes. The federal agreements that provide rent-geared-to-income and RGI assistance to low-income members are ending in half of Ontario co-ops. For the 15 co-op homes whose agreements have already expired, these communities face impossible decisions: raise rents on seniors, single-parent families or other vulnerable neighbours who they know can't afford it, or watch their building slowly fall into disrepair.

The new federal government has indicated they will restart RGI assistance in these housing co-ops, but because of the 1999 Canada-Ontario Social Housing Agreement, which transferred responsibility for social housing from Ottawa to Ontario, it's unlikely they'll do it alone.

All recent housing programs have been cost-shared between the federal and provincial governments. We urge the province to seize on the federal government's commitment and immediately begin negotiations with Ottawa to ensure this assistance continues and that any costs associated with it are included in the 2016 budget. The total cost of continuing this assistance is estimated at \$10 million over the next five years, well below the cost of building 2,000 new units of affordable housing.

Secondly, we ask that you pass inclusionary zoning legislation. Mitchell Cohen, president of Daniels Corp., a major development company in the GTA, wrote recently in the *Toronto Star* that inclusionary zoning is "the most important tool in the affordable housing tool box." Inclusionary zoning is a regulatory approach to creating new affordable housing. It gives municipalities the option of requiring that a small percentage of units in new developments be affordable. In return, the municipality may offer a density bonus or other incentives.

There are a number of examples of successful implementation of inclusionary zoning across North America. Jennifer Keesmaat, chief planner for the city of Toronto, has estimated that even a modest inclusionary zoning program over the past five years would have produced 10,000 units of affordable housing in the city of Toronto alone.

To allow inclusionary zoning in Ontario, the province needs to amend the planning statute act. Over the years, there have been a number of private members' bills introduced to do this, but none have passed. With the growing consensus between important developers, planners and affordable housing advocates, it's clear the province should pass this necessary legislation without delay.

Third, we ask the province to invest in green affordable housing. One of the greatest challenges we all face today is to reduce greenhouse gases. According to the Ministry of the Environment's estimates, housing is third only to transportation and industry as a producer of greenhouse gases in Ontario. Housing co-ops want to be part of the solution.

We understand the province is looking at investing potential cap-and-trade revenues in emissions-reducing projects. The vast majority of the province's co-ops were built 25-plus years ago, using modest construction

methods. Substantial reductions in emissions could be made by retrofitting these buildings, and the energy efficiencies created could help keep the housing affordable for those who need it.

We recommend that the province invest in helping community-based housing providers identify retrofit projects that will reduce emissions so that they are shovel-ready when these opportunities exist.

Fourth, build more affordable housing: For years, CHF Canada and others have warned the province about the lack of supply of new affordable housing. The province needs an estimated 10,000 more units of affordable housing per year to catch up with its demand.

At times, this has seemed like an insurmountable challenge, but if the federal government goes ahead with their investments in social infrastructure, including affordable housing, the province has an opportunity to make a real difference by matching their investment and spurring significant new development. As mentioned earlier, this would not only reduce social housing waitlists but also stimulate our economy and save the government money on health care and shelter costs.

Finally, we ask the government to build more co-op housing. For many years, CHF Canada has raised concerns with the province about barriers to development of co-ops and other community-based non-profits under the federal-provincial Investment in Affordable Housing program. Historically, almost a quarter of social housing developed in Ontario was co-op housing. Under the current programs today, that share has dropped to less than 4%.

We don't believe this is the policy intent of the Ontario government. MPPs from all three parties have spoken at length about the benefits of the co-op housing model. They have universally agreed that co-operative housing is cost-effective and builds healthy communities. But the current program favours those who can contribute significant equity and risk tens of thousands and, in some cases, hundreds of thousands of dollars on developing proposals that may not get selected for funding. This is simply beyond the means of many community-based providers.

1020

One measure we've recommended previously is for the province to set aside a certain number of units specifically for co-op development. The province used this approach when they set up the reserved stream for development of—the affordability of the brownfield sites a few years ago.

Municipalities would still be responsible for selecting suitable projects for development and later would be responsible for administration, but the reserved pool of units could only be used to build co-ops.

The co-op housing sector is anxious to work with MPPs in all three parties to follow through with these practical suggestions and to partner with the government to find other creative ways to ensure that every Ontarian has a decent, affordable place to call home.

I'd like to thank the committee for their time and, as mentioned, we'll be happy to answer any questions you may have.

The Chair (Ms. Soo Wong): Thank you very much, Mr. Waters. I'm going to turn to Ms. Fife for this round of questioning.

Ms. Catherine Fife: Thank you very much, David and Simone. Every year, you do come and you make a very compelling economic case and, also, provide a social-justice perspective on housing. We do appreciate that.

On the building of more co-op housing, because Ontario has fallen significantly behind other jurisdictions: Your recommendation to build more housing co-ops, specifically the recommendation around brownfield sites—how many years have you been asking for this? There are real estate agents and municipalities that also want to be part of this because they're anxious to build that affordable housing, as well. Can you give us a little context for this request?

Ms. Simone Swail: The IAH program has been around, I believe, for about eight years. I think that we've recognized pretty much from the beginning that it just didn't quite fit well for the co-op model or community-based providers. As David mentioned, the program is built around people developing proposals and submitting them to municipalities, but they need to go through all the steps of getting those proposals done: They need to have architectural drawings; they need to have planning approvals.

That just costs far, far too much money for most community-based providers to take the risk of putting it forward and then having it turned down. You're risking \$50,000, \$100,000 for something that might not happen. As a small provider, it just does not seem reasonable. They need to save that money for their own buildings, if there's no guarantee that it will go further. I would say that, since the very beginning, we've been making this point.

Ms. Catherine Fife: Okay. So there are serious barriers to that plan.

Ms. Simone Swail: There are very serious barriers.

Ms. Catherine Fife: So the government then should take a step back and look at other options.

The inclusionary zoning: To have the chief planner for the city of Toronto say that we could have created 10,000 units of affordable housing over the past five years through inclusionary zoning is really heartbreaking because—this is our sixth day as a committee. We heard a mother in Hamilton say that 60% of her income goes towards rent. That leaves few options for food or activities for her children.

Inclusionary zoning has been bandied about for years now—our member from Parkdale-High Park through, I think, five private member's bills; Mr. Milczyn also introduced a part of that. There's no good reason not to include inclusionary zoning. Even the municipalities have recently asked for it at AMO as a tool in their tool

box. They don't want the government to be prescriptive, but they want it as an option.

Can you give some insight as to what's the deal with inclusionary zoning when it's such a good option for affordable housing?

Ms. Simone Swail: We are very strong supporters of inclusionary zoning. From our perspective, there is no good reason for why it hasn't been passed. As you've mentioned, MPP Peter Milczyn, we were very strongly supportive of your efforts and your bill to pass inclusionary zoning—

Ms. Catherine Fife: As were we.

Ms. Simone Swail: —as we have been for all of MPP Cheri DiNovo's bills. We think that this is a great option for affordable housing in Ontario.

I think, with 168,000 people on social housing waitlists across the province, that we need to use every tool at our disposal, and that it's also about giving the municipalities, as you say, the option of using inclusionary zoning. It does not have to be there.

But for why it hasn't happened—I'm not in those discussions, unfortunately. My sense is that there are some concerns from the development industry, but I think that there are also many developers, like Mitch Cohen from the Daniels Corp., who see that they could work within these rules and they could do something really impressive with them.

Ms. Catherine Fife: Finally, thank you for raising the issue about investing in green housing, because this is another lost opportunity around creating local jobs, as well. If this government embraced the concept of an energy-efficient renovation tax credit, that would address the underground economy; it would do consumer protection; it would address energy and cost of greenhouse gases.

I think that you rightly point out that these are shovel-ready. The co-op housing is ready for this money to come in and make the units more energy-efficient and, quite honestly, address the quality issue of some of these units, right?

Ms. Simone Swail: Yes. Specifically, our proposal right there is that we see that the province is moving towards a cap-and-trade system and the revenues generated. Co-ops want to be part of that solution, as you mentioned. Our buildings were modestly built over 30 years ago, in the 1970s and 1980s, and there is incredible capacity for changes to be made in these buildings, to make them more efficient and to save the members significant costs.

Approximately 50% of those buildings are likely electrical baseboard heating—

Ms. Catherine Fife: I'm glad you mentioned the cap and trade, because cap and trade is not necessarily about generating profit for the government. It's about reinvesting and addressing greenhouse gases. So we'll have to watch where that money goes when cap and trade comes into play. But I'm counting on you to also help us watch where that money goes—

The Chair (Ms. Soo Wong): Okay, Ms. Fife. I'm going to stop you here.

Ms. Catherine Fife: Thank you very much.

The Chair (Ms. Soo Wong): Thank you, David and Simone, for being here again. Thank you for your written submission.

CANADIAN TAXPAYERS FEDERATION

The Chair (Ms. Soo Wong): The next group before us is the Canadian Taxpayers Federation. Good morning, and welcome. You can bring your colleague, if you want.

Interjection.

The Chair (Ms. Soo Wong): I just wanted to make sure. If there are any written submissions, the Clerk is coming around to distribute them. You probably heard, Ms. Van Geyn, that you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from the government side.

You may begin any time. When you begin, please identify yourself for the purposes of Hansard. Thank you.

Ms. Christine Van Geyn: Thank you to the committee for inviting me. My name is Christine Van Geyn. I'm the Ontario director of the Canadian Taxpayers Federation.

We are a non-profit, grassroots citizens' organization, funded by over 23,000 individual donations from across the country. Our supporters and our organization are committed to lower taxes, less waste and accountability in government, and it is with this mission in mind that I make today's budget recommendations.

Ontario's finances have spiralled out of control. The 2016 budget will be Ontario's eighth consecutive deficit. The debt has more than doubled since 2003 under this government, and debt interest has become the fastest-growing item in the budget and the third-largest expenditure. In a vicious cycle, as the debt load grows, the province's credit rating is downgraded and the cost of borrowing rises even higher.

The government has no detailed plan to end this cycle. Instead, we see public sector wages climbing, program spending growing, and, to fuel the spending, the burden on taxpayers becomes greater. My submission today calls for an expedited and detailed approach to balancing the budget without increasing the burden on the public.

Our pre-budget submission is broken into six sections. We call on the government to (1) focus on debt reduction; (2) stop plans for new taxes; (3) reduce spending; (4) boost revenue without increasing the tax burden; (5) reduce existing taxes; and (6) increase government accountability.

I have already touched on the issue of debt. I will summarize my remaining recommendations. First, on the issue of new taxes: This government has made a variety of expensive spending commitments that it can't afford, and it's turning to the citizens of Ontario to fund these promises.

A prime example of this tactic is the proposed cap-and-trade carbon tax. This plan is a revenue scheme dressed up as green policy. The government expects to

raise between \$1 billion and \$2 billion by increasing the cost of fuels, natural gases and all manufactured goods. While manufacturing is fleeing the province at an alarming rate, the government is creating a new tax and regulatory burden on businesses, that will be damaging to our already fragile economy.

With stagnating incomes and an ever-increasing cost of living, a carbon tax is going to make it even harder for Ontario families to make ends meet.

We recommend halting plans to implement this cap-and-trade program, and instead, the government should focus on making Ontario an affordable place to do business and an affordable place to live.

1030

We're similarly concerned with the government's plans to implement a 3.8% payroll tax in the form of the ORPP. Ontarians can find better uses for their incomes than sending it off to a pension investment board for decades. For example, young couples will be financially better equipped to pay off their debt, buy their first home, by being empowered to save for their own retirement through vehicles like TFSA's and RRSP's, and by having an overall lower tax burden which will allow them to meet their own priorities.

The fact that this government is pushing ahead with this plan despite the federal government's commitment to hike CPP rates appears to defy both reality and common sense. ORPP will almost certainly be made redundant, but not before it's already skimmed 1.9% off of the incomes of hard-working Ontarians or resulted in higher unemployment where businesses attempt to avoid falling within ORPP early requirements by laying off workers.

We recommend that Ontario scrap plans for the ORPP or at the very least put those plans on hold until CPP rate hikes are determined. If the government is committed to continuing down this path, we recommend designing the plan so that it can be easily wound up and premiums returned.

We also recommend that any plans for new taxes be scrapped, including high-occupancy toll lanes; and if the government has any plans for things like municipal land transfer taxes, we ask that those be scrapped as well.

Next, the issue of spending: There's no way now to escape the rapid 6.7% growth rate of debt interest that this government's reckless borrowing has resulted in, but discretionary spending can be cut. We recommend cutting program spending and freezing public sector salaries. Despite the government's commitment to balance the budget, and despite 2015 projections, program spending is now slated to be \$400 million higher than anticipated. Program spending needs to be reduced in order to achieve a balanced budget. Public sector salaries also continue to climb. There's a 12% wage premium paid to government workers over their private sector counterparts.

The government's commitment to make any wage hikes so-called "net zero" means that those wage hikes are paid for by cutting other valued services. Take for example the recent wage hike to high school teachers that

came at the expense, in part, of cutting a program for vulnerable students at risk of not graduating. Other so-called net-zero savings are hypothetical; or in other cases, like the recent settlement with the Ontario prison guards, wage issues are punted to third-party arbitrators so that the government can avoid responsibility for budget constraints.

Speaking of the wage arbitration system, this is a system that has a tendency to increase wages through leapfrogging, which is why we recommend, in addition, reforming that system so that arbitrators must consider the government's ability to pay for wage hikes using objective factors like debt levels and the existing tax burden.

Another area where spending can be reduced is in corporate welfare, which the Auditor General found in her most recent report was poorly tracked and lacked transparency. Ending this practice will both save taxpayer money and make Ontario a more competitive jurisdiction by getting the government out of the business of picking winners and losers.

Finally, on the issue of spending, we recommend an immediate moratorium on all new renewable power generation. The Auditor General found that under the existing feed-in tariff program we're paying double the market price for wind and three and a half times the market price for solar. We've overpaid for renewables by \$9.2 billion and then we export that electricity at a \$3.1-billion loss. Green energy is not inherently wasteful, but this government has mismanaged renewables and needs to get out of this business.

The next priority for this government should be boosting revenue without increasing the tax burden on the population. A good step has been made in the partial sale of Hydro One, which under government control has been a badly managed and unproductive asset. We recommend, though, that the sale allow private sector expertise to control the management of the company, and we recommend that the revenue from this sale not be dedicated to new spending, but rather, put towards the debt.

Selling LCBO's capital assets is another means of boosting revenue without coming at the expense of taxpayers. There's no reason to maintain the government monopoly on the sale of liquor, and breaking up an entity that has over 267 government employees on the sunshine list would boost revenue and save taxpayer money.

We also recommend cracking down on the trade in contraband tobacco. The overall contraband trade in Ontario cost between \$832 million and \$1.2 billion last year. There are recent measures the government has taken on enforcement, which we commend, but we view a more efficient approach would be to reform the on-reserve tobacco allocation system that is the fuel of the contraband trade.

These are measures that would boost revenue without increasing the tax burden. The tax burden under this government has grown significantly. The threshold defining the highest income tax bracket has repeatedly been

dropped and the rate has been repeatedly raised. The Premier is effectively redefining what it means to be wealthy in Ontario and then increasing the taxes on that group.

When surtaxes and federal taxes are included, the top marginal rate in Ontario is 53.53%, and the second highest is almost 52%. Taxes above 50% are a psychological threshold that has long been warned against by economists. When individuals are working more for the government than for themselves, it encourages brain drain and tax avoidance.

Additionally, those top two brackets are not indexed, so as wages increase with inflation, more income becomes bumped into a higher bracket without the government having to take responsibility for actually raising that rate.

We recommend reversing those recent income tax hikes and we further recommend that all brackets be indexed. We also recommend reversing other recent tax hikes, including tax hikes on jet fuel and the recent tax hikes on beer sales.

Finally, we do have some additional recommendations that will increase accountability—for example, restoring the Auditor General's ability to use her own discretion when determining if government advertising is partisan. We also recommend reducing the total number of political appointments so that governments are less tempted to engage in the kinds of bad acts we saw in the Sudbury by-election bribery scandal.

Lastly, we recommend reforming the Police Services Act—

The Chair (Ms. Soo Wong): Ms. Van Geyn, you need to stop now because I need to turn to the government side for some questions for you, okay?

Ms. Christine Van Geyn: My pleasure. I'm happy to take questions.

The Chair (Ms. Soo Wong): Thank you. Mr. Baker, you may begin this round of questioning.

Mr. Yvan Baker: Thanks very much, Christine, for coming to present to us today.

First of all, you raised a whole series of issues, and I wish we had more time to have a discussion about each of them. My background is actually in business and in finance. I come from a management consulting background and I used to teach business at the MBA school at York University. My education is in business, so I certainly value the importance of making sure that money is being spent wisely, that we're fiscally responsible and that we're getting the best bang for the buck for the people of Ontario.

One of the things that I can share with you on a personal front is that here in government, besides sitting on this committee with my colleagues, I'm also parliamentary assistant to Minister Deb Matthews, who is President of the Treasury Board. I know how hard all the people around the Treasury Board table work every day to make sure that we're addressing, making sure that we're getting value for money and making sure we're fiscally responsible in how we allocate funds. I can tell

you that because I sit at that table weekly, if not daily, and can speak to that.

When I was reading about the Canadian Taxpayers Federation and heard you speak, I heard some key themes. Even if I read from your materials that you sent out recently, you're sort of dedicated to lower taxes, less waste and accountable government, and I know you touched on those themes in your presentation today.

When I think about some of those things, for example, lower taxes and less waste, going back to what I was saying about Minister Deb Matthews and the Treasury Board, through the PRT process which the government is currently undertaking, there's a strong emphasis on doing one of the things that you talked about and one of your three key pillars: making sure we're getting better value for money and making sure that we're getting a better bang for the buck for the people of Ontario.

I think one of the things, too, that I would highlight is that the PRT process that we're currently going through to work towards a balanced budget by 2017-18 is one that is actually not arbitrary; it's very, very surgical in that we're reviewing every program across government and, within each government, looking at making sure that it is delivering on the outcomes that we wanted to deliver on for the benefit of the people of Ontario and therefore that those taxpayer dollars are being spent wisely.

There are a few things that you said that I wanted to speak to. One was that—the LCBO is not for sale. I wanted to address that because I know you raised concerns around the LCBO. That's the first thing.

The ORPP: We have a good debate around the ORPP and the challenges that so many Ontarians have around saving enough money for retirement. I'm a finance person and I know a lot about these types of issues as well, and I wouldn't call it a tax. These are savings that people are putting into a fund, like the CPP, that then get saved, and they can save for retirement. We, of course, want so many people to be able to save for that retirement. It's important to their quality of life and to our economy.

1040

The government, of course, remains committed to balancing the budget by 2017-18. I would think that would be positive from your perspective. We're doing so in a way that's fair and responsible, like I was talking about earlier. We're doing so while also protecting the services that Ontarians care about. Even the Financial Accountability Officer recently recognized in his scenarios that the government's return to balance is achievable. He also acknowledges that the government is on track to reach our deficit target. In his remarks following the report, he acknowledged the government's ability to meet its fiscal targets again and again. I think these are signs that the government is fiscally responsible, that it's working towards a plan that it has publicly stated—and that an independent officer has highlighted that.

The other thing I wanted to say is that on page 5 of the report, the Financial Accountability Officer affirms Ontario's strong economic recovery since the recession.

He talks about how the pace of Ontario's job recovery following the global recession was much quicker than in the U.S. or other G7 countries. I know you talk a lot about the economy and supporting the economy, and that's something that I think the FAO has spoken to.

We've also committed to the pre-recession level—of reducing that debt-to-GDP to 27%. I know you spent a little bit of time talking about bringing our debt levels down. I think this shows that we have a responsible plan to do so, and the FAO supports that.

The other piece I wanted to just highlight: Your organization and yourself talk a lot about taxes and reducing taxes. We reduced corporate taxes quite notably over the last number of years, from 14% to 11%, I think, approximately. There has been no extension of the municipal land transfer tax. We've worked hard to reduce regulations—again, these potential burdens on business that you've spoken about.

In terms of accountability, which is the third pillar of the Canadian Taxpayer Federation's priorities, one of the things that I was proud of, as parliamentary assistant to Minister Matthews, was shepherding through the Legislature the public sector accountability act. That brought through increased powers of accountability for the Ombudsman and for the Provincial Advocate for Children and Youth.

So I think we're doing a lot of the things that you're talking about.

The Chair (Ms. Soo Wong): Okay, Mr. Baker, I need to stop you here.

Thank you, Ms. Van Geyn, for being here and for your written submission.

CONSERVATION ONTARIO

The Chair (Ms. Soo Wong): The next group before us is Conservation Ontario. Good morning, ladies. Welcome. The Clerk is going to come around to pick up your written submission to the committee. As you probably heard, you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questions will be coming from the official opposition party. You may begin any time. When you begin, for the purposes of Hansard, please identify yourself. Thank you.

Ms. Kim Gavine: Good morning, respected members. My name is Kim Gavine. I'm general manager with Conservation Ontario. Today I've brought along with me Jo-Anne Rzadki, our business development and partnership coordinator.

Our organization is making a pre-budget submission on behalf of the network of conservation authorities. We sincerely appreciate the opportunity to have this discussion with you.

Through their watershed management work, Ontario's 36 conservation authorities play a critical role in supporting and helping to implement many provincial policy objectives around climate change, flood management, Great Lakes-St. Lawrence, source protection, environ-

mental education, agriculture, sustainable development, healthy people, and the development of a green, sustainable economy. This pre-budget submission is focused on two key areas: Ontario drinking water source protection and the provincially designated flood management activities of conservation authorities.

The Conservation Authorities Act, which guides conservation authorities, provides a broad mandate and enables conservation authority programs and services to evolve in response to a changing environment. The act is currently under review by the province. This work is being led by the Ontario Ministry of Natural Resources and Forestry, who have so far posted a discussion paper for comment and hosted listening sessions with targeted stakeholders, including conservation authorities. In our comments to the Ministry of Natural Resources and Forestry, we have asked the province to do four things.

The first is to confirm the current mandate of the Conservation Authorities Act, because it allows us to seamlessly address emerging and changing conditions in Ontario's watersheds.

Secondly, we have asked to open discussion up around governance of the conservation authorities.

Third, we would like to expand and formalize our working relationship across more provincial ministries in order to capture the full range of benefits provided to the province by conservation authorities.

Related to all of the above, the fourth and most directly relevant request for you today is the request for the establishment of a sustainable funding formula. A funding formula is necessary to continue to deliver conservation authority programs and services which help to implement and meet many provincial priorities.

The reason I mention the Conservation Authorities Act review at this time is because our pre-budget submission focuses on two of many provincial priorities which require the province's attention in order for conservation authorities to continue to provide the same level of benefits as has been enjoyed to date.

Conservation authorities are the front-line delivery agents for source protection planning under the Clean Water Act, which was initiated by the province in 2003 in collaboration with conservation authorities. Since then, we have worked with local municipalities, other stakeholders and the province to develop source protection plans for municipal drinking water sources. As of the end of last year, all 22 plans have been approved and the focus is now transitioning to implementation.

Our request to the province at this time is to continue funding conservation authorities to support activities such as policy implementation support, project coordination, annual reporting, information management, technical support and public outreach to assist municipalities and the province to successfully implement the source water protection plans to the level Ontario residents need and should expect.

The second program area which concerns us is the conservation authority flood management activities and services. Lagging provincial investments and diversified

municipal support have created a network of services that is struggling more and more each year. What is impacting conservation authority flood programs today and is getting worse is the increased frequency of extreme weather, resulting in costly and dangerous flooding.

We applaud the Ontario government for recognizing that climate change is a critical issue of our time. It impacts Ontario in many different ways, often disrupting businesses, creating costly damages and threatening the safety and health of our residents.

In our pre-budget submission, you will find a full list of the specific flood management activities that conservation authorities undertake. Generally they include monitoring, flood plain mapping, modelling and forecasting of floods, flood messages and warnings, planning support and advice for municipalities, land acquisition in flood-prone areas, operation of water and erosion control, infrastructure, and public education.

Conservation authorities have been delegated flood throughout most of southern Ontario, where 90% of Ontario's population resides, and where they exist in northern Ontario. Specifically, as part of the Ministry of Natural Resources and Forestry's natural hazard program, the province has delegated conservation authorities the responsibility for representing the provincial interest for natural hazard policies in the provincial policy statement under the Planning Act.

Conservation authorities regulate development and activities that are adjacent to rivers, streams, valleys, the Great Lakes and large inland lakes, shorelines, watercourses, hazard lands and wetlands. The conservation authority planning and regulation programs protect people, reduce potential disruptions to businesses and protect the environment from flooding and erosion.

Conservation authorities also operate a wide array of flood infrastructure, such as dams, dikes, channels and erosion control structures along rivers and shorelines. The replacement value of this infrastructure is estimated at \$2.7 billion.

The conservation authority and watershed approach has been very effective in reducing costly property damages and loss of life. Conservation authorities and the province together operate and maintain a provincial warning system to alert municipalities of potential storms that could create a flood hazard. They also provide emergency response assistance to local and regional municipalities when municipal resources are no longer adequate.

As well, along with provincial and federal representatives, conservation authorities are members of the provincial flood forecasting and warning committee. The committee reviews and regularly updates the provincial flood forecasting and warning guidelines, as well as insurance, information sharing, training and networking opportunities for flood practitioners.

In the mid-1990s, the province significantly reduced its annual investment in conservation authority flood management operations. As a result, over the years, municipalities have had to increase their support for these

activities. There has been a wide range of ability for municipalities to do so, and arguably with more difficulty in rural areas with lower municipal tax bases.

The lack of funding has resulted in many conservation authorities having outdated floodplain mapping, constrained flood management operations and rapidly aging flood infrastructure. All of this is building at a time when we need it most in order to address the increased frequency of extreme weather as a result of climate change.

A long-term plan is needed for the province to reinvest in conservation authority flood operations. However, recognizing and respecting the fiscal challenges facing the provincial government today, this pre-budget submission identifies the immediate financial needs required to support our flood work.

1050

We are requesting four things:

(1) For the province to continue funding the water erosion and control infrastructure program annually, for \$5 million per year, through the Ministry of Natural Resources and Forestry. This program is a very successful collaboration between the province, municipalities and conservation authorities, with the municipalities providing matching funds with the province.

(2) Provide a one-time investment of \$400,000 to prioritize flood plain mapping. That needs to be immediately updated in high-risk areas within conservation authority watersheds.

(3) Provide an additional \$15.1 million per year to conservation authorities for the flood management operations in addition to the current provincial contribution of \$7.4 million per year. This would bring the provincial funding total to \$22.5 million per year for the critical work that conservation authorities undertake on behalf of the province.

(4) Ensure that conservation authorities are eligible under the province's Green Investment Fund and the federal government's funding for green infrastructure. Details on this request are found in our submission and are summarized in a chart.

The partnership that exists amongst Ontario's conservation authorities, the province and municipalities is a unique one that has prevented millions of dollars in costly damages, protected important ecological benefits provided by forests, wetlands and water resources, and most importantly, it has saved lives. Climate change poses a long-term threat to the people of Ontario, as around the globe, and we see conservation authority flood programs as an important piece of the solution for adaptation to climate change impacts.

I thank the standing committee for the opportunity to present our requests, and we'd be happy to take any questions.

The Chair (Ms. Soo Wong): Thank you very much for being so timely. I'm going to turn to Mr. Barrett for this round of questioning.

Mr. Toby Barrett: Thank you, Conservation Ontario. We do know that this government is working on a climate change strategy. They also have made very clear

their support of a culture of conservation. Would you want to just expand on that a little bit further? I know you talk about flood plain mapping and those kinds of measures that, with the changes in weather, we do seem to be seeing here and there around the world. Just expand on that a bit.

Ms. Kim Gavine: Absolutely. I'll start and then I will pass it to my colleague.

In our submissions back to the province regarding the climate change work, one of our emphases was asking for more detail around adaptation. There was a lot of focus on mitigation, but what we were suggesting in our response back to the province is that there are things that conservation authorities are already doing in terms of our landholdings—our forests, our wetlands—acting as carbon sinks. We're the second-largest landowner next to the province. Being able to further support these would be helpful.

There are also a number of technologies that the conservation authorities are undertaking with respect to low-impact development, and, quite frankly, working with the municipalities, we're seen as leaders in this.

Jo-Anne, do you want to add to that?

Ms. Jo-Anne Rzadki: Yes. We're certainly also working more with the private sector, trying to understand their issues. Flood management programs help reduce the impacts of flooding to businesses, which is really important. Transportation corridors are important for our economy and the safety of our communities.

There is lots of information that tracks the severity of extreme events over time, and we have that information too. For example, from 1910 to 1970, every decade, there was a 1.5% increase in extreme events. Between 1990 and into this decade, it has been a 14% increase.

Mr. Toby Barrett: My colleague has a question. I'll just put in a plug for the ALUS program. I think you would know that well, through Long Point conservation, down in Norfolk county.

Ms. Jo-Anne Rzadki: Yes.

Mr. Toby Barrett: We'll go to my colleague.

Mrs. Julia Munro: Thank you for coming today and bringing your message here.

I wondered if you were also involved in any of the conversations around the cap and trade. The reason I ask is because, obviously, trees have a potential to be part of reducing emissions, so I wondered if there was an element of what you were doing that connected with that.

Ms. Kim Gavine: Do you want to talk to our submission, Jo-Anne?

Ms. Jo-Anne Rzadki: Sure. We've highlighted that conservation authorities are—are you talking about the cap and trade?

Ms. Kim Gavine: Yes.

Ms. Jo-Anne Rzadki: Yes. We have made a submission to the cap-and-trade discussion paper where we highlight the role of conservation authorities in providing assistance to carbon sequestration. That includes our tree-planting program. We partner with other organizations, like Trees Ontario, which has a 50 Million Tree Program.

Our land protection programs also provide carbon sinks. Was there anything else?

Mrs. Julia Munro: No. I just wanted that to be recognized.

Ms. Jo-Anne Rzakki: Yes, we all—

Interjection.

Ms. Jo-Anne Rzakki: Excuse me. We've also done some research related to how tree planting impacts carbon sequestration.

Mrs. Julia Munro: I had another question. On the issue of landowners and understanding your role: From time to time, people get mixed messages in terms of the role of the conservation authority and their role as private landowners. I wondered if you could comment on how you're managing that part of your file.

Ms. Kim Gavine: Yes, it's challenging. You're quite right. Conservation authorities do have a regulatory responsibility, and that's where I made reference—under section 28 of the Conservation Authorities Act, there is a permitting process that requires people to come in to conservation authorities if they're planning on doing development within flood plains. This is a process that the conservation authorities work very hard at, to make sure that they are transparent to the public about why they're requesting this information and why there's a permitting process in place. We all know that what happens upstream affects us downstream, and this is very critical.

Conservation authorities, on the other end of the spectrum, also do a number of phenomenal outreach programs, education programs, where, whether or not it's stewardship programs, offering tree planting, whether or not it's outdoor education to children—we do a lot of that work. This is why in that first line in my submission I talk about getting the province to recognize the mandate of conservation authorities. It is a broad mandate, but it enables us to do a lot of things that are helping to meet those multiple provincial priorities, everything from dealing directly with the landowner, to children, right through to our regulatory role, to make sure that people are kept safe.

The Chair (Ms. Soo Wong): All right. Thank you very much for your presentation as well as your written submission. Thank you for being here.

Ms. Kim Gavine: Thank you very much.

ACORN CANADA

The Chair (Ms. Soo Wong): The next group coming before us is ACORN Canada.

Just for the committee's purposes, the Clerk just informed me that the witness coming before us is Donna Borden. I'm going to get you to introduce yourself in a minute. Just so you know, you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from the third party. You may begin any time. When you begin, please identify yourself, as well as your colleague, for the purposes of Hansard. Thank you.

Ms. Donna Borden: Sure. Thank you, members of the committee, for inviting us here. My name is Donna Borden. I'm a provincial rep for the Ontario ACORN board. This is Andrew Marciniak. He's a staff member for ACORN.

As you may know, ACORN is a members-based organization of low- and moderate-income people. We have 80,000 members all over Canada. We campaign on issues important to our members, like fair banking, affordable housing, wages, employment issues and welfare rights.

The first thing we'd like to talk to you about today is money to fix the backlog of housing repairs. In Toronto, where I live, and all over the province, there are issues with housing. I, for one, am a TCHC tenant, a market-rate tenant, and I've experienced first-hand the issues that come with the backlog of repairs. There is a \$2.6-billion backlog of repairs, and the city really could use some extra money to help take care of that.

Our second issue: We did meet in November with Minister Jacek about our concerns. It's about the clawback on the child support payments, the ODSP and Ontario Works. There is money that people get from child support payments that is being taken away 100%, and it's taking money from the children. We just believe that it should be exempt, like other payments for child support, child tax benefits and those types of things. People on ODSP and OW have very little. They haven't had an increase, and they're living in poverty, and the government takes their child support. ACORN worked with the BC government to end this practice, and they exempt this.

That's all I really have to say about that. Thank you for letting us speak today. If you have any questions—

The Chair (Ms. Soo Wong): Okay. I'm going to turn to Ms. Fife.

Ms. Catherine Fife: Thank you very much, both of you, for coming in and speaking specifically about the importance of housing and the importance of actually maintaining social assistance housing. It's a long-standing issue for the budget committee, to listen to the lack of investment to maintain it—which doesn't make very much sense, considering it was an initial investment.

1100

The clawback on social assistance: I'm really happy that you raised this issue. It came up across—this is our sixth day of finance committee meetings. I think it takes a lot of people by surprise—the fact that, if a single mother is on social assistance and the parent does come forward with some child support payments, even as low as \$40 I've been told, the government then claws back that \$40. I don't know if you've been following the news, but the Ministry of Transportation failed to collect \$49 million in fines for road maintenance, yet they somehow can figure out how to claw back \$40 from a single mother on social assistance. Can you just speak to the overall impact of basically taking money away from those individual parents?

Ms. Donna Borden: I can actually speak first-hand, because I'm a single mom, and I work. I've worked for

the last 27 years. Prior to that, when my son was smaller—my son is a grown man now—I was receiving social assistance for a short time. They did take my child support. Even when I went back to work, they were still collecting my child support. Just recently, about two years ago, he won some money. They wouldn't let him cash his money until he paid back the child support. I got a very small portion of that, because the rest of it went to social services.

Through the years of raising my son and being on social services, he wasn't even able to go to hockey or baseball or anything like that, because the money I had was very limited. There was a lot less then—they're doing better now with the child tax credit and other things—so my son went without. Recently, if I would have gotten that money back, I could have given it to him to pay off his student loans that he took to go to university. I think that's what a lot of mothers experience.

Where I live, as well, they can't afford to have their kids join baseball, hockey or any kind of sports or any kind of events, because there's no money. They just live from cheque to cheque. That would really benefit them a lot, because it would go to help the children, help them with their school. Even with my son, when he was going to university, I had to pay for his books, so I had to take on a second job to help pay for his books, because it wasn't covered through the loans.

Ms. Catherine Fife: You mentioned that ACORN worked with the government of BC to exempt the child support payments. I don't know if you have any experience, but in my office, dealing with the Family Responsibility Office and trying to get the child support payments actually in place is a huge issue with the backlog. Even when that money finally does get to the parent, it just amazes me that they're able to find that \$40, and they fail to collect on huge fines that they themselves issued to these road maintenance companies.

Ms. Donna Borden: That's why it's good for them all to work together. Then they can all figure out the tricks.

Ms. Catherine Fife: There's room for improvement, don't you think?

Ms. Donna Borden: Yes, absolutely.

Ms. Catherine Fife: But on housing—this is one of your core values. Can you speak to the importance of housing—affordable housing and supportive housing, for instance—to ensure that we do truly address poverty? That's the missing piece in any poverty reduction strategy. Perhaps staff could answer, as well.

Mr. Andrew Marciniak: Absolutely, there's a huge housing backlog here in Ontario. People are living in squalor. They're raising their families in terrible conditions that we've seen across the city—in Ottawa, as well, Ottawa community housing, Toronto community housing. We've been trying to get inclusionary housing here in the province.

I don't know if you want to talk about raising your kid in TCHC?

Ms. Donna Borden: As you know, TCHC is always in the news because of violence. There's a lot of

violence. There's nothing for the children to do. They're not valued as human beings. Even my own apartment—and I'm a market-rent tenant, I don't want people to come and visit me there because of the disrepair of the apartment. I do my best. I don't want people to come there.

So a lot of people are just treated very differently. There are no activities for the children. When you're living with water leaking through the ceiling and no one is doing the repairs and you're not valued as human beings, of course the children are going to get themselves into trouble, because there's nothing there. The playgrounds are falling apart. I think that you would probably have a lot less problems with the children if people were treated with a little more respect, because they are paying their way.

Ms. Catherine Fife: There is thankfully, though, a Long-Term Affordable Housing Strategy that's supposed to be coming from the government, building on 2010. That plan has been criticized for not having targets and for not having accountability mechanisms. So money did go out there, but it didn't necessarily go towards building housing.

We're hopeful and we'll be counting on ACORN to give us some real, lived experience when this plan does come out—it's supposed to be from Minister McMeekin—but we're also hoping that there is some supportive housing built into that as well, because we have developmentally challenged citizens in the province of Ontario who need to be in a supportive housing environment.

We just had a presentation by the Co-operative Housing Federation of Ontario and Canada, and they raised the alarm that a federal program, actually, is going to be ending very quickly: the RGI assistance. That, of course, will negatively impact almost 2,000 Ontarians, with the possibility of losing housing.

The housing target is a moving target, but we thank you very much for coming in today and sharing your experiences.

The Chair (Ms. Soo Wong): Thank you very much for your presentation. You have until tomorrow afternoon at 5 p.m. to hand in any written submission to the Clerk for this committee.

Ms. Donna Borden: Okay. Thank you so much.

The Chair (Ms. Soo Wong): Have a great day and thank you for being here.

ONTARIO FEDERATION OF AGRICULTURE

The Chair (Ms. Soo Wong): The next presenter is a familiar face to us: Mr. Don McCabe, the president of the Ontario Federation of Agriculture—and his colleague Jason Bent. Welcome, gentlemen. It's good to see both of you. This is an annual visit to our committee, isn't it? It's our annual visit.

As you probably heard, you have 10 minutes for your presentation, followed by five minutes of questioning.

This round of questioning will be coming from the government side, and the Clerk is coming around with your written submission.

Don or Jason, you may begin anytime. When you begin, please identify yourself for the purposes of Hansard. Thanks.

Mr. Don McCabe: Thank you, Chair. Yes, my name is Don McCabe. I'm president of the Ontario Federation of Agriculture. Accompanying me is Jason Bent, our research staff support. Jason, I'll have you introduce yourself.

Mr. Jason Bent: Thank you. Jason Bent, director of policy research with the Ontario Federation of Agriculture.

Mr. Don McCabe: I could never remember all that.

I wish to thank the committee for the opportunity for the Ontario Federation of Agriculture to be here. We do not take it lightly that we've had opportunities to be here in the past, and we hope we're here in the future.

The bottom line from our perspective: We do represent 36,000 farmer members, and those 36,000 are across the entire province. As of this current time, we have some very key priorities we wish to have recognized to exercise the strength of the farm business community. Just for the record, agri-food is your number one industry in Ontario. We generate \$34 billion in GDP and employ 740,000 people.

The feeding aspect of all these people is the first priority of our farmer members, but at the same time, they're taking care of the environment and they're building jobs as they move ahead. What connection does that have to your constituency? A lot of those jobs hide here in Toronto because this is the second-largest food processing centre in north America. Some days Chicago overtakes it, but most days, I like to think, Toronto is there. Everybody in your constituencies eats, and they take it for granted.

Interjection.

Mr. Don McCabe: Well, I am personally a walking testimonial to obesity or food safety, and I'll take the latter.

The opportunity, then, for us today in this pre-budget submission is to outline some actions that we would like to move ahead with here. The Premier gave us a challenge a while ago, and that was to double our annual growth rate and create 120,000 new jobs by 2020. We see this as a definitive goal we wish to achieve, but it will require collaboration between government and industry.

I'd like to acknowledge that Conservation Ontario was just in here, and that's part of our environmental side. Later today, you will be having the Ontario Chamber of Commerce come in to make a presentation. The Ontario Federation of Agriculture is a member of the Ontario Chamber of Commerce. We share similar mandates and we both work on behalf of businesses in the province.

Recently—as in last week—the chamber released their Emerging Stronger 2016. The common bond here is that we agree with the chamber in recognizing the need to curb rising electricity costs, extend broadband Internet

across the entire province, ensure that the cap-and-trade system that's being developed now will not only help with Ontario agriculture to illustrate the solution-provider that it is, but also instigate new businesses like the bio-economy. I know that you have heard from Murray McLaughlin with the Bioindustrial Innovation Canada network, and we're thankful for this government putting money into BioAmber, but there's more that we can do.

1110

We know that the Premier is currently in India. We appreciate very much that this could be the opportunity to promote Ontario's agri-food sector. This is also a necessity as we move ahead.

You are also going to hear from Union Gas. The bottom line is that this province only has 20% of its area covered in infrastructure for natural gas that's needed. Our fellow provinces Alberta and Saskatchewan are under 100%. This should not be an issue of looking to halt this because it's a greenhouse gas. Remember: Cows work with that greenhouse gas every day of the week. This is an opportunity to make use of a less-toxic pollutant and for us to put natural gas back into the system and become our own source.

You put a commitment in the 2014 budget and it was repeated in the 2015 budget. We require that commitment to be maintained or enhanced; let's get shovels into the ground as we move ahead.

On that particular note, I would like to make reference to the fact that Prime Minister Trudeau recently, in Davos, Switzerland, at the World Economic Forum, pointed out that it's the resourcefulness of the people in this country that he wants to highlight with the resources.

Bottom line: Agriculture, agri-food is your sector that exemplifies it all, but we can't do it without collaboration between government and industry.

We have three pre-conditions to be able to meet all of these particular initiatives: investing in rural infrastructures, supporting farm business success, and taking climate change action.

On the rural infrastructure issue, we need the natural gas brought in and the broadband Internet. We want to also highlight northern infrastructure projects to expand northern agriculture. We want to look at opportunities of expanding the bio-economy as we move ahead.

On the issue of supporting farm business success, electricity is right there. The Ontario Federation of Agriculture requires the farm industrial electricity rate to be back in place to assist in lowering that cost at the farm gate.

It also means supporting farm businesses as they manage risk. There's only one rule in farming, and it's called "Mother Nature wins." Therefore, no matter what you do and how well you do it, you can still end up with issues of dealing with risks that are beyond your control. Therefore, we're in support of the OASC recommendation on raising the funding cap on the risk management program over the next three years.

Risk can also be mitigated through good research. Research opportunities are absolutely necessary. We look

for increased funding dedicated to agriculture research and for that investment to hit the ground running through technology transfer processes, and then farmers will pick up on it through financial incentives. This is where we can link this to the issue of mitigation in climate change, because in agriculture, we don't only mitigate, we adapt. My draw-bolt doesn't know whether it's mitigating or adapting when it's in that no-till drill, it just knows it's under stress, so let's make sure we remove that stress.

Because the climate change issue will be with us for some time ahead, we need to be planning in that form for adaptation, and that is bridges and infrastructure. But on the other side, the immediate mitigation comes back to the issue of definition of protocols and fits the issue of research as we move ahead.

The OFA applauds the issue of using cap and trade as the market mechanism. It will help us move along to those targets, but we need to be planning for those targets now.

In closing, agriculture has lots to offer. That's why we're urging the Ontario government to design an offset system. In this particular aspect, it allows us the greatest opportunity, and this greatest opportunity extends across the entire spectrum.

Thank you for the opportunity to present today.

The Chair (Ms. Soo Wong): All right. Thank you very much.

I'm going to turn to Mr. Milczyn to begin this round of questioning.

Mr. Peter Z. Milczyn: Good morning, Mr. McCabe. It's always a pleasure to hear from you and see you here at Queen's Park. You failed to mention that if we all ate that good, healthy Ontario food we'd all be in better shape.

Thank you for an excellent submission to the committee. It's very well rounded. You touch on a number of things. I wanted to start off with infrastructure. Minister Duguid has been working across the province with different stakeholders on the issue of natural gas infrastructure expansion, and also expanding broadband access. The southwest wardens and, I believe, the eastern wardens both have great proposals that are being worked on to expand broadband access in those communities, and we're also doing more in northern Ontario.

Could you maybe tell us a little bit about where you see that program going and how we could work in partnership with people in rural Ontario to bring it to fruition more quickly?

Mr. Don McCabe: Well, I think we're at the point where consultation is done, well done and overdone, so let's move on to actually making the investment, releasing the money and allowing the people who identified their ability to get these jobs done in place. That's Union and Enbridge on issues of natural gas. It is the issue of having the resolution between what some say needs to be a whole new infrastructure versus other entities that say it's just the last mile that needs to be connected.

The bottom line: I only get one chance to plant a year. I take it. I'd really like the government to start planting dollars.

Mr. Peter Z. Milczyn: I know that Minister Duguid, as you said, has done all the consultation, so I know we're going to be moving forward.

I really appreciate what you've put forward in terms of climate change and some of the issues there, looking at the bio-economy as part of the solution, but also, because I'm the parliamentary assistant for infrastructure, your recommendations around building resilient infrastructure: taking the infrastructure spending that we're doing around the province and not just rebuilding a road or rebuilding a bridge that was already there, but looking at how to do it so that that infrastructure will be sustainable in the long term, whether climate change is an issue, more flooding or more severe weather events. Certainly in rural Ontario, on the farm, you feel it; you're the first ones to feel these changes.

Working with the more rural municipalities in developing asset management plans—do you think there's more of a role that we could do to assist those municipalities in developing that type of resilient infrastructure by leveraging the money that we're providing to them for infrastructure?

Mr. Don McCabe: I think you're in a better position to address the concerns that I'm about to raise here, with due respect, sir, because the prospectus that I hear is that we have a five-year plan for climate change that will be coming down. I do hope that is rounded in the issue of opening the door for small rural municipalities to deal with.

I happen to have had the opportunity to serve as a fire chief in the municipality of Brooke-Alvinston. Its largest town is Alvinston, population 600, and that's if you count all the cats; Inwood is 250. The reality is that as fire chief, I was still required to maintain the same standards in that municipality as the city of Toronto is. It's very difficult to rationalize to your local residency that you need a fire truck that is \$275,000 just to haul around uniforms.

As you move these sorts of structures and these ideas out, I think it's time to take a harder look at what level of standards are necessary to be achieved in these things, and it comes back to collaborating definitively with Ottawa, which wishes to get some money out the door in a hurry. It's time for us to be bold in our actions and stop worrying about all the absolute semicolons and commas as we move ahead, because the engineering studies in a lot of cases are already there. Let's move on issues of getting this country moving again, and do it in collaboration with a government that seems to want to move dollars immediately. You both can link this in your budget and get it done.

1120

Mr. Peter Z. Milczyn: Thank you. A final question that I wanted to put to you is around promoting and marketing Ontario food products more effectively. Given the fact that the dollar has now dropped, which makes it that much more expensive to import produce, I assume that's going to be a positive for our Ontario producers. It's going to be that much easier for them to get the product into local hands, the product that's available.

On the issue of marketing: a small thing perhaps, but our Ontario craft brewers, where there's a lot of impetus being put on promoting those local producers who, in many cases, try to use locally grown products to put in their beer, and they are in local communities—are we doing enough in that area? Are there some good ideas you have on how to promote Ontario farm produce and Ontario processed foods and beverages better to our population?

Mr. Don McCabe: Well, I'd like to put on the record that the Ontario Federation of Agriculture applauds the work of Foodland Ontario to get these things done. We certainly appreciate the hard work of Minister Leal and Minister Chan and the recent work to go to China, and we applaud the Premier being in India right now to move our issues ahead.

The reality becomes that no matter what is grown in Ontario, it started local, and it started local with the entire issue of the fact that we feed the world before we're done. The issues of removing barriers internal to us can be highlighted in the issues of dealing with things for small craft brewers. It can be done in the issues of even dealing with why Spirits Canada can't be within a grocery store. I find that one baffling.

The Chair (Ms. Soo Wong): Mr. McCabe, I need to stop you here. Thank you so much for your presentation and your written submission, and thank you for your annual visit with us.

Mr. Don McCabe: Thank you very much. I look forward to next year.

The Chair (Ms. Soo Wong): Have a good morning and a good day.

ONTARIO SECONDARY SCHOOL TEACHERS' FEDERATION

The Chair (Ms. Soo Wong): The next group before us is the Ontario Secondary School Teachers' Federation, OSSTF. We have Paul Elliott, and I believe we have your colleagues here, Mr. Elliott. The Clerk is coming around with the submission from the OSSTF.

Good morning, Mr. Elliott. You're welcome to have a seat. While the Clerk is coming around with your written submission, I'm just going to give you some instructions, simple ones. You have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from the official opposition party. You may begin any time. When you begin, please identify yourself for the purposes of Hansard. So welcome, Mr. Elliott, and your colleague, whom all of us know in this room.

Mr. Paul Elliott: Hi. My name is Paul Elliott. I'm president of the Ontario Secondary School Teachers' Federation.

I'll jump right into it. Just so everybody is clear, we represent 60,000 public high school teachers, occasional teachers, educational assistants, con-ed teachers, instructors, early childhood educators, psychologists, secretaries, speech-language pathologists, social workers,

university support staff, plant support personnel, attendance counsellors, and many other educational workers, from full-day kindergarten programs to the university sector. So we don't just represent teachers and speak on their behalf; we represent a wide range of that work and front-line workers that work in it.

The first piece I'd like to jump into is the reconsideration of the austerity agenda, something that we have been dealing with specifically for the last two years—and very specifically, with the flat-line budgeting in education.

A couple of points to make here: The government's commitment to an austerity program focused on balancing the budget by 2017-18 is not widely supported by the people of Ontario. We need only look at the results of the last two elections in Ontario as evidence of that lack of support. While the provincial Liberals did state as part of their 2014 campaign platform a desire to balance the budget, the election was dominated by Tim Hudak's more severe austerity program to eliminate 100,000 public sector jobs. Ontarians voted strongly against austerity.

Just recently, in the concluded federal election, the federal Liberals rejected the talk of austerity and balanced budgets in favour of stimulating the economy. In the face of both the federal Conservatives' and New Democratic Party's plans for a balanced budget, Ontarians voted for a federal Liberal Party that clearly demonstrated an aversion to austerity. At OSSTF, we believe that Ontarians have been clear that they reject austerity in favour of helping our society, which includes helping our students.

In a recent Canadian Centre for Policy Alternatives report entitled *No Crisis on the Horizon*, released in January of this year, it concluded, "This paper shows that the growth in Ontario's debt-to-GDP ratio since the 2008 recession is slower than it was after the 1991 recession. Further, given the low interest rate environment, there is no Ontario debt crisis looming on the horizon. With expanded revenue generation and improved federal transfers, a strategy that focuses on economic growth is the best means of reducing Ontario's debt-to-GDP ratio moving forward."

Ontario has not hit a debt wall. We urge the government to reject the austerity budget, with its arbitrary deadlines, in favour of a budget focused on the needs of the people.

I'll go specifically to education and what we have been dealing with in terms of the flat-lined Grants for Student Needs. The 2015-16 Grants for Student Needs are essentially the same as they were in 2014-15. When combined with a decrease in average daily enrolment since 2014-15, it appears there has been an increased investment. However, when the GSNs are analyzed and the actual increases and decreases become evident, a different picture emerges.

The Pupil Foundation Grant, the Geographic Circumstances Grant, Learning Opportunities Grant, the continuing education grant, the declining enrolment grant and

the school operations grant have been collectively reduced by almost \$90 million. These grants are used directly to hire staff in schools, and their reduction has produced layoffs in school boards across the province and fewer services for students who need it most.

Other grants that were increased were those that had an inflationary component only and, therefore, needed to be increased to keep up with costs.

Some grants were adjusted through the School Board Efficiencies and Modernization Strategy, which effectively incentivized school boards to close or consolidate schools. The increase to funding was predominantly used to increase administration in those schools instead of ensuring an adequate staffing level of front-line workers.

Flat-lining of the budget has led to fewer supports to students, and increased the gap between the haves and have-nots in access by the ever-growing “bring your own device” program.

Just an aside on that: Last night I learned of a school board that has now said they will not replace computers; that now, when they are dead, when they need to be repaired, the onus will be on the students to bring their own devices to school. Consequently, they increased a growing gap between the haves and have-nots in funding.

In special ed, funding is transitioning from a needs basis to a statistical prediction model, causing massive redistribution of special ed funding in the province, thereby causing tremendous upheaval in special ed staffing. Some school boards have gained staff while some boards, such as the Bluewater District School Board, laid off 50 educational assistants who worked directly with high-needs students. This also greatly affected many of our autistic students, as a variance in funding between boards has altered the delivery, support and services they require.

We have parents out there who will actually move from one jurisdiction and one school board—for instance, from Halton to Hamilton—simply because of the assistance they can get through the public school board for their autistic child.

Boards are being forced to redesign the jobs of high-needs support staff to only support the highest-needs students. Educational assistants, for example, are being redeployed from supporting a broad range of high-needs students to ensuring the safety of the highest-needs students. Individual student support has been eroded or eliminated. This places a greater stress on teachers and other staff to ensure that all students, including our high-needs students, have every opportunity to succeed.

Prior to the new GSNs introduced by the Harris government in the early 2000s, the funding for adult education was equivalent to funding for those under 21 years of age. The Harris government reduced funding for adults by over 50% and caused the closing of successful adult education programs across the province, and we still continue to feel the legacy of this now.

Despite the government's changes to education policy programs and funding, it is one of the major disparities that remain. Analysis of the adult education funding estimates for 2015-16 have added to a funding gap of

close to \$110 million. With the arrival of refugees from Syria and other areas of the world in crisis, the pressure on school boards to meet the needs of these vulnerable people and adults will be enormous, despite any federal assistance.

What we have seen, even despite flat-lining in the budget, is that funding for programs that could impact actual student achievement through the support of additional front-line staff is actually being spent on administrative staff instead. There has been a proliferation in boards of principals, in programming such as innovation, student success, FNMI etc. These bureaucracies are becoming more common.

1130

OSSTF/FEESO's analysis estimates that up to \$30 million is being spent on these types of positions. The funding would be better spent on front-line staff who work with students rather than the administrative expansion.

“Education program—other” funding is funding outside of the GSNs for specific purposes and the reporting mechanisms aren't as rigorous as they are for the GSN funding. The only accountability mechanism for school boards is a director of education's attestation as to how funding is being used.

In 2015-16, \$180 million will be sent to school boards to support programs not traditionally funded through the GSNs. These funds are not tracked and tend to flow to administrative spending lines when they'd be better used to fund front-line supports for students.

What you have attached here—and I thought it would be worthwhile—we have also prepared a submission on education funding that was done in December of last year, in preparation for the development of the budget. It has outlined in more specific detail savings through the elimination of EQAO testing, the expansion of grade 7 to 12 schools, the efficient use of schools and expanded accountability measures.

For everything that's in there, what we're really looking at is that there are much more efficient ways to deal with the education budget. But flat-lining of the education budget has had an impact, and it has had an impact on those students who need it the most, is what we have seen directly.

The funding for the full-day learning program has turned out to be—and boards are dealing with it the best they can—inadequate, as it needs to be done. What we are seeing across the province is a complete proliferation of combined classes of kindergarten and grade 1 to get around the requirements for the class sizes. When you start to combine those classes, the requirements to have an ECE in to help those full-day kindergarten students are not the same, and consequently school boards are doing what they can to get around that.

We are seeing combined classes of upwards of 30 students simply because they don't have the funding to do the program they need to, or they are combining the classes and shifting money into other programs, and there's no accountability for it.

How much time do I have?

The Chair (Ms. Soo Wong): One minute.

Mr. Paul Elliott: I think I'll stop there.

The Chair (Ms. Soo Wong): Okay. I'm going to turn to Mr. Barrett to begin this round of questioning.

Mr. Toby Barrett: Thanks, OSSTF, for the presentation. I haven't had time to read all of the rest of it. I just got through the first few pages. I'm a former member of OSSTF, as your colleague here knows. Actually, Julia Munro is a former member of OSSTF.

Under special education, you mentioned one board has laid off 50 educational assistants. Is there no protocol, procedure or guideline that prevents that from happening? I mean, how far can this be taken? Can you lay all of them off or is there not a law?

Mr. Paul Elliott: Yes, it's directly related to the funding. The funding is based upon your average daily enrolment in the schools. That's how the funding is generated. It used to be generated based upon the needs of the students, but there was a shift in there that connected, really, to how many students you have—not the students who have needs, but how many students are in the schools.

Once that was done, we've seen, I would say, significant disparity. We're seeing some of the smaller school boards, such as Bluewater, which was really the hardest-hit by a lot of this—you haven't seen a decline in the number of high-needs students, but what you've seen, maybe, is a decline in the enrolment. Consequently, the school boards' funding has gone down and they're finding that they have to lay off the educational assistants that really need to be there.

Mr. Toby Barrett: With all the negotiations, we hear the expression "net zero," so money in. I guess my question is, to achieve net zero, what is required with respect to cuts? I don't have the figures. Do we have the figures now, say, with OSSTF? I assume there were recent negotiations; I don't follow it that closely. How much did that cost the government and what was the end result?

Mr. Paul Elliott: I can't honestly remember off the top of my head because that's one of the things that we look at. I do know that when we were in negotiations and dealing with the net zero, it was made very clear by government that it had to be a net-zero framework. We did what we could, and I believe that the government found savings in various places to pay for those, I would say, minimal increases that we actually went through.

I think, in terms of just the negotiation section, that framework of net zero was met. That's the only way that we were actually going to be able to settle those deals, through a net-zero deal. Some of the other things that we are talking about, just in terms of the numbers, the funding for devices, all of those other things that maintain the certain class sizes—that's where you get into that flat-lining issue.

But the net zero, in terms of where they're going to go and all of that, was respected through the bargaining process. I think what we're talking about here is the actual funding for the school boards outside of salary.

Mr. Toby Barrett: So you're saying a minimal increase in salary—you're suggesting a minimal increase in cuts?

Mr. Paul Elliott: No. In terms of the bargaining—and I don't want to confuse this: In the bargaining, the net zero was focused on what was in the contracts. Whatever was in the contracts had to be a net zero. So if you're going to get this, you're going to lose it somewhere else. There were two significant areas where it was cut. One was the retirement gratuities that still were vested out there. There was a calculation that was done that if you want to take it now, you're only going to get a small percentage of it—that, in turn, would save money.

That was one aspect. The other had to deal with the secondary staffing money that had been promised in 2013 and that hadn't been spent. That money that still had been promised but hadn't been spent was allocated towards that also.

Mr. Toby Barrett: Are these figures public yet?

Mr. Paul Elliott: They should be public somewhere. I'm sure they are, because I know the Auditor General has been in touch with our office and, I believe, in touch with the government, too.

Mr. Toby Barrett: One other thing we hear about—when I taught, there was a demand for teachers, but then as the baby boomers went on to university or into the trades or whatever and out of high school, there was a lack of demand. How do we square this situation where, as I understand it, there continues to be a significant number of teachers graduating from teachers' college but there aren't the teaching jobs? I don't know whether there is anyone addressing this.

Mr. Paul Elliott: Well, I will say this much—and you can probably say that you heard it here first then. I predict a drastic teaching shortage within the next five years for two reasons: one is that the program has gone from a one-year program to a two-year program, coupled with the fact that people are starting to understand—especially those students—that there aren't jobs in there.

We've seen enrolment drastically cut. Two years ago, there were 12,000 who were applying to get into teachers' college; that number is down to roughly 3,500 now. Out of that 3,500, there may be 3,000 who graduate—and I'll say "may be." Out of that 3,000 who graduate—two years ago, there were 9,500 graduating.

So there is going to be a significant change in the number of candidates who are coming out of the program, and we'll have to wait and see what that is. But at that time, you're going to have more retirements than there are students actually graduating. You're going to see a significant shift in the next five years.

The Chair (Ms. Soo Wong): Okay, Mr. Elliott. Thank you for your presentation and your written submission. Thank you both for being here.

Thank you, gentlemen. Have a good day.

UNION GAS

The Chair (Ms. Soo Wong): The last speaker before we recess for lunch is from Union Gas. I've been told by

the Clerk that it's Matthew Gibson, the director of government affairs, joining us this morning.

Good morning. Welcome. Mr. Gibson, you have 10 minutes for your presentation, followed by five minutes of questioning. You may begin any time. When you begin, can you please identify yourself for the purpose of Hansard? This round of questioning will be coming from the third party. Welcome.

Mr. Matthew Gibson: Perfect. Good morning. My name is Matthew Gibson. I'm the director of government affairs at Union Gas. We serve roughly 1.4 million natural gas customers across 400 different communities here in Ontario. On behalf of Union Gas, I'd like to thank the Standing Committee on Finance and Economic Affairs for inviting us here today.

Today, I'm going to talk about the tremendous opportunity Ontario has to lower both greenhouse gas emissions and the energy bills of thousands of Ontarians. This tremendous opportunity can be realized by expanding access to a fuel that millions of Ontarians already enjoy and, I dare say, some might even take for granted: natural gas.

Low natural gas prices have meant as much as \$5 billion in annual savings for Ontarians since 2008. That's as much as \$40 billion since the great recession, and rates are projected to remain low for years to come thanks to abundant supply located right here in North America.

1140

Over the past two winters, homeowners have saved between \$1,700 and \$2,200 a year by using natural gas rather than electricity, oil, propane etc. to heat their water and their food. For every 100 residents who switched from oil to natural gas, the equivalent of 68 cars have been removed from the road in terms of lower GHG emissions.

Benefits to business and industry are obviously even higher. Whether you look to our neighbours just to the south or halfway around the world to countries like China and India, it's clear that many jurisdictions see the advantage that natural gas offers as an economic driver and as a useful tool in lowering emissions.

May I remind you that right here in this province, it was natural gas that moved us off coal. Today, although it doesn't get much press, natural gas is the key to Ontario's move to wind and solar power, allowing the system to provide seamless and reliable service even when the sun isn't shining and the wind isn't blowing.

Those facts make the case that expanding natural gas service to more communities in Ontario will help deliver the GHG reductions the province wants and needs, and ease the burden of high energy bills that many Ontarians are currently struggling with. But there's so much more to this story.

Let me tell you about an Ontario community called Red Lake. Red Lake is more than 530 kilometres northwest of Thunder Bay. All told, about 5,000 people live there in the six towns that make up the municipality. As you can imagine, winters get pretty cold up there. For a

month or so, temperatures will drop to minus 30. That makes the cost of winter a very important issue.

Until 2012, folks in Red Lake didn't have access to the lowest-cost heating out there—they didn't have access to natural gas. That means some were heating their homes and businesses with more expensive, more carbon-intensive fuels like oil and propane. Some even used expensive electricity. Others used wood. They had been asking for access to natural gas for more than a decade. So how did we finally get it there? It took three and a half years of work, which included a regulatory application, the co-operation of Goldcorp, three levels of government and a combined investment of roughly \$40 million.

The arrival of natural gas had an immediate and real impact. Noel Dumontier, Red Lake's municipal building officer, saw his personal bill drop by about \$500 the winter he switched over. That's \$500 per bill. He was going to use his savings to put in a pool at the time, which he hopes will get the grandchildren over a little more often.

Michele Alderton is the director of the Red Lake Regional Heritage Centre, a museum that brings to life the region's rich aboriginal, fur trading and mining history. In the winter of 2013, after making the switch to natural gas, she watched the centre's bill drop by roughly 50%. She says those savings are literally keeping the doors open.

Mayor Phil Vinet calls natural gas a game changer.

You probably won't be surprised to hear that Red Lake has welcomed natural gas with open arms. As of the end of 2015, we've attached roughly 90% of the residents there. Those conversions reduced GHG emissions in Red Lake by an estimated 20%, the equivalent of removing about 1,500 cars from Ontario's roads. But here's the thing: Bringing natural gas to Red Lake shouldn't be the end of this story. It should be just the beginning.

There are dozens and dozens and dozens of communities out there across Ontario, remote and First Nations communities etc., that still don't have access to affordable and abundant natural gas. We've been hearing from them too—communities like Milverton, Lambton Shores, Kettle and Stony Point First Nation, Prince township, Walpole Island First Nation and Delaware Nation at Moraviantown. For several years now, we have been advocating for new approaches to extend service to communities where there's a significant economic hurdle. These approaches include things like financial contributions from municipal and provincial governments, regulatory flexibility and contributions from residents and local businesses.

We were pleased to see that in 2014, the government of the day committed to funding \$200 million in natural gas access loans and \$30 million in economic development grants. We were also pleased that these commitments were confirmed in the 2015 provincial budget. In addition, we jumped at the opportunity when, in February of last year, the Ontario Energy Board asked interested natural gas distributors to submit community expansion

proposals along with proposed forms of regulatory flexibility.

We submitted a proposal to extend service to 29 rural and First Nation communities, helping residents and businesses save on their energy costs while lowering GHG emissions by the equivalent of removing roughly 2,700 cars from the road. We were the first and only utility to submit a proposal; however, the OEB recently informed us, just late last month, that our proposal was being put on hold and that the regulatory body was instead moving towards a generic proceeding on community expansion. For those communities crying out for access to natural gas, this generic proceeding—essentially, a process the board uses to go back to the drawing board on an issue—means everyone will just have to wait a little longer.

We will continue to work hard to find a way forward for these communities because we firmly believe in the opportunity natural gas has to offer them and the province as a whole.

While we have your ear, I'd like to say a few words about Ontario's cap-and-trade proposal. Let me start by saying that Union Gas supports the move to a lower-carbon economy. We have been providing our expertise and feedback to all the related ministries as the cap-and-trade framework is being developed. While moving to a lower-carbon future is a positive environmental choice, whatever policy framework is developed must be a realistic and workable one that, yes, lowers emissions, but also protects Ontario families from escalating energy costs and grows Ontario's economy. That means recognizing and embracing natural gas as a key to balancing those three goals.

In addition to community expansion, Ontario has the opportunity to leverage natural gas even further on a number of other fronts. Premier Wynne has pledged that revenues from cap and trade will be reinvested in projects to help drive further GHG reductions. If invested wisely, these projects could help Ontario residents, businesses and industry.

Here's how: Transportation is the single largest source of GHG emissions. It represents about one third of overall emissions. While the government has indicated a desire to push towards the large-scale adoption of electric vehicles, there are some segments of the transportation market where electrification is simply not an option. That's where natural gas comes in.

For long-haul, heavy-duty transportation and return-to-base fleets, liquefied natural gas and compressed natural gas can deliver the emissions reductions the province is looking for, as well as cost savings. We've seen this in Hamilton, where we are supporting the local public transit provider as it grows its CNG bus fleet to a total of 120 vehicles over the next six years. This move represents about \$40 million in savings over the next 20 years and is expected to reduce emissions by about 25%, the equivalent of removing 18,000 cars from the road.

By making the required policy changes and providing the right incentives to the LNG and CNG markets, they

can be leveraged in this sector. By 2030, we can achieve annual emissions reductions that would be the same as replacing 750,000 cars with electric vehicles.

This committee has already heard from the province's greenhouse growers about the importance of natural gas to their business. Combined heat and power systems, which produce heat and electricity at the same time, allow businesses like theirs to reduce operating costs while freeing up the electricity grid for other uses. This would be critical to support the government's desire to move to a widespread adoption of electric cars. As such, CHP systems should be supported and encouraged under the cap-and-trade program through mechanisms such as incentive programs, as well as free allowances for small-scale systems. We could see 1,000 megawatts of new CHP by 2030, which could reduce emissions by displacing grid-connected, gas-fired generation.

Finally, there's renewable natural gas, harvested from landfills, waste water treatment plants and farms.

The Chair (Ms. Soo Wong): Mr. Gibson, can you please wrap up? Thank you.

Mr. Matthew Gibson: Yes.

Using more RNG in the existing distribution system is the ultimate in recycling. This is exactly the type of new industry we believe the government aspires to support as Ontario moves to lower emissions. To that end, we believe cap-and-trade revenues should be used to support the technology development that will be needed to meet the 2030 targets.

To conclude, we believe that natural gas can deliver real emissions reductions for this province. We know that natural gas can help residents—

The Chair (Ms. Soo Wong): Mr. Gibson, I'm going to stop you because when I say "wrap up," it means wrap up.

Mr. Matthew Gibson: I'm happy to provide the remainder of my remarks to the committee members.

The Chair (Ms. Soo Wong): I'm going to turn to Ms. Fife to begin this round of questioning.

Ms. Catherine Fife: Thank you very much. Did you want to just finish your last comment there?

Mr. Matthew Gibson: I just want to thank the committee for their time and attention today. Thank you.

Ms. Catherine Fife: Thanks very much, Matthew. You were supposed to also present with Tim Kennedy, who's the vice-president of government and aboriginal affairs.

1150

Mr. Matthew Gibson: Yes. Tim is stuck in Ottawa today with the flu, unfortunately.

Ms. Catherine Fife: Okay. I only mention it because—I'm happy that you told us about Red Lake and the positive impact and outcomes from that installation. But I'm also very interested to ask what your specific budget asks are of this committee, because we need the asks. I assume that you'll be giving us a hard copy.

When you were asking for regulatory flexibility as it relates to these—first of all, how many rural First Nation

communities did you put an application in to the energy board for?

Mr. Matthew Gibson: In our original proposal, two.

Ms. Catherine Fife: There were two.

Mr. Matthew Gibson: But that was just to start.

Ms. Catherine Fife: Because it was a pilot? Was this originally a pilot project?

Mr. Matthew Gibson: We believe we could connect those communities, with little or no taxpayer dollars involved, by having some regulatory flexibility given to us by the Ontario Energy Board. We believe that those projects would instantly become economic.

There are a lot of communities where we could put shovels in the ground tomorrow, with those types of tools in place, but we wanted to ensure that aboriginal communities were seen through a similar lens and treated fairly and equitably, with other opportunities.

Ms. Catherine Fife: I think that's commendable. We heard, when we were up in Thunder Bay, that there are a number of communities that are still running on diesel.

Mr. Matthew Gibson: Yes.

Ms. Catherine Fife: That's incredible, in 2016.

Mr. Matthew Gibson: It represents a huge opportunity. The diesel-generating fleet, supported and fuelled with federal contributions, is something that we're looking at with regard to a real and meaningful policy change.

Ms. Catherine Fife: Yes. You had put this community expansion proposal in for rural First Nation community access, and then the energy board came back and told you that it was going to be on hold.

Mr. Matthew Gibson: That's right.

Ms. Catherine Fife: And the rationale at that time was what?

Mr. Matthew Gibson: I can't comment on behalf of the Ontario Energy Board. What I will say is that we had an ambitious plan we had hoped to move forward with. We moved forward with that plan with the support of the minister's office, with the support of the government, which has, to their credit, pushed and promoted natural gas expansion in Ontario. The Ontario Energy Board, I think, is unsure of how to proceed: whether or not to rule on our proposal or have a larger discussion. I think they have erred on the side of what they see as cautionary and have decided to have a larger discussion.

Unfortunately, that means people who are forced to use expensive electricity and dirtier fuels to heat their homes and provide themselves with energy will be left without natural gas until that discussion, at some point, is concluded.

Ms. Catherine Fife: So that's a bit of a missed opportunity. But we have also seen several delegations over the last six days ask that the government look at infrastructure investments through the lens of cap and trade and reducing greenhouse gas emissions, including the Ontario farming association as well. They have asked now—I think they're on their third, maybe their fourth, year of asking for rural natural gas infrastructure.

This is an economic issue, but it's also an environmental issue as well. Do you want to comment on this?

Mr. Matthew Gibson: We are in close contact with the OFA and have been working with them on some of the more technical aspects of their proposal.

We've also been working together on the advocacy front to inform MPPs like yourselves on the opportunity. It's an opportunity for the agricultural sector. It's an opportunity for any rural community, much like broadband. You've heard a lot about broadband access over the years. Businesses, investment and job creation simply will not and cannot take place in these communities without access to natural gas.

Ms. Catherine Fife: I wonder if this has to do with the government's framework around cap and trade. We've had a couple of announcements of a plan to make an announcement, and then we have heard some announcements about a plan that will be forthcoming.

I do appreciate the fact that you specifically have asked the government to ensure that any revenue that comes from cap and trade is in turn then reinvested, because then there are no more excuses to not invest in expansion of natural gas infrastructure.

Mr. Matthew Gibson: The natural gas sector, the natural gas utilities—ourselves and Enbridge—will be the two single largest customers, if you will, of the cap-and-trade program. We will be required to purchase allowance on behalf of our customers. As the two largest customers under that program, we would hope that our voice was heard loud and clear with regard to where those funds would best be directed. Obviously, we feel that they should come back in the form of some programs that I've outlined: transportation initiatives; combined heat and power initiatives for the greenhouse sector; conservation and demand-side management programs etc.

Ms. Catherine Fife: Thank you very much.

The Chair (Ms. Soo Wong): Okay. Mr. Gibson, thank you for your presentation. You have until tomorrow afternoon at 5 p.m. to give your written submission to the committee.

Mr. Matthew Gibson: Thank you very much. Have a great day.

The Chair (Ms. Soo Wong): You too. Thank you.

I'm going to recess the committee until 1 p.m. for the afternoon session, okay?

The committee recessed from 1155 to 1300.

The Chair (Ms. Soo Wong): I'm going to resume the Standing Committee on Finance and Economic Affairs. It's now 1 o'clock.

ONTARIO CONFEDERATION OF UNIVERSITY FACULTY ASSOCIATIONS

The Chair (Ms. Soo Wong): The first witness before us this afternoon is the Ontario Confederation of University Faculty Associations. Welcome and good afternoon.

I just want to give you some quick instructions for the presentation. You have 10 minutes for your presentation, followed by five minutes of questioning. This round of questions will be coming from the government side. You may begin any time. When you begin, please identify yourself for the purposes of Hansard.

Dr. Judy Bates: Good afternoon, Madam Chair. Thank you for inviting us. My name is Judy Bates, and I'm the president of OCUFA, the Ontario Confederation of University Faculty Associations, and a professor at Wilfrid Laurier University. With me this afternoon is Mark Rosenfeld, OCUFA's executive director. Again, thank you very much indeed for offering us this opportunity to speak to you today.

OCUFA is the provincial voice for university faculty in Ontario. We represent about 17,000 faculty members and academic librarians in 28 member associations across the province.

Our pre-budget recommendations are directed towards enhancing the quality of university education through increased government investment. Ontario's universities are world-class institutions that deliver enormous value to our society through expanding knowledge, driving innovation and strengthening our economy. But for too long, the government of Ontario has allowed its investment in universities to fall behind. Years of inadequate public investment is threatening our universities' ability to fulfill their core missions of teaching and research at the highest standard.

I'm going to address the funding issue now.

On a per student basis, Ontario's universities receive the lowest level of public funding in all of Canada—that's the lowest level. Ontario has now ranked last on per student funding in Canada for six consecutive years. In 2013-14, Ontario's per student operating grants were 35% behind the rest of the country. Even when tuition fees, also the highest in Canada, are included in the overall revenue picture, Ontario's universities are still at the back of the pack. For the first time ever, tuition fee revenue surpassed public funding as the majority source of university operating budgets this past year.

Low levels of public funding undermine our universities by continually forcing them to do more with less. In terms of the number of students taught, graduation rates and research output, Ontario's universities are leaders in Canada, and they do this on the tightest budgets in the country. But universities and faculty are increasingly overextended. Our impressive level of productivity cannot be maintained in the long term against the backdrop of inadequate public funding.

To bring per student funding of Ontario's universities in line with the average in the rest of Canada would require an additional investment of over \$3 billion between 2016-17 and 2020-21. We recognize that a commitment to invest of this magnitude is unlikely in the short term, so we recommend, at an absolute minimum, that the government must maintain their current level of per student funding. With anticipated enrolment, and adjusting for inflation, investment on this scale would

require an additional \$150 million in 2016-17 above the nearly \$3.5 billion that was allocated to universities in 2015-16.

Maintaining the current level of investment in higher education until more substantial investments can be made will help to ensure that our universities don't fall further behind. This will also give faculty the breathing room they need to maintain the quality of education that our students receive and deserve.

Professors and academic librarians are at the heart of Ontario universities. They mentor and teach students and conduct research. Without professors, of course, there is no university. However, full-time faculty hiring is not keeping pace with student enrolment. The gap in faculty hiring has widened as increases in student enrolment have outstripped increases in faculty hiring in every year since the year 2000. Between 2000-01 and 2014-15, full-time enrolment increased by almost three quarters: 73%. Over the same period, the number of full-time faculty employed at Ontario universities increased by only one third: 32%.

The impact of this hiring gap in the classroom is dramatic. In 2010-11, there were 28 students for every full-time faculty member at an Ontario university, compared to an average of 20 to 1 in the rest of Canada. In 2014-15, the student-faculty ratio in Ontario increased even further, to almost 30 to 1.

To support student-faculty interaction and high-quality student learning, we must invest in hiring more full-time faculty. To bring Ontario's student-faculty ratio in line with the rest of Canada, OCUFA estimates that over 8,500 full-time professors would need to be hired between now and 2020, or 1,700 faculty members per year. Hiring at this level would require an additional public investment of \$189 million a year.

While there's a lack of comprehensive province-wide data available, OCUFA estimates that while the faculty hiring gap has widened, the number of courses taught by contract faculty has doubled since the year 2000. This shift takes its toll on the individuals who are employed in these positions. Contract faculty have job insecurity, and last-minute hiring means that they lack the stability they need to make long-term plans for themselves and their families.

This type of precarious employment has been shown to have negative impacts on general and mental health, household well-being, community participation and workplace productivity. Many contract faculty work at multiple universities simultaneously to make a living, which requires a lot of time on the road commuting between campuses. This can create additional barriers when it comes to accessing benefits and pension plans.

The rise of precarious work also threatens the quality of education and research capacity at Ontario's universities. While contract faculty are skilled teachers and researchers, they are too often constrained by their working conditions and they lack the institutional support needed to reach their full potential.

The provincial government must take a leadership role in setting the future of academic work on a new path. In

addition to providing the public investment needed to boost faculty hiring, the government must also drive universities in the right direction by strengthening employment and labour law at the conclusion of the ongoing Changing Workplaces Review.

OCUFA has made recommendations on how to raise standards and provide greater protection for contract faculty, including legislating equal pay for work of equal value and equal access to benefits, regardless of employment status; eliminating the use of discontinuous contracts to prevent the achievement of workplace rights; ensuring fair scheduling and adequate notice of work; and updating labour law to ensure that all workers can organize collectively in a union. The benefit of these changes will be felt widely, not only by faculty and students at Ontario's universities but throughout their local communities and economies.

I now want to address the funding model. Our final recommendations pertain to the funding formula for Ontario universities, which is currently being reviewed by the Ministry of Training, Colleges and Universities. While it will take some time to develop and implement changes to the funding model, there are two proposals that the government of Ontario should consider now. The first is the need for a new higher-education data structure in Ontario, and the second is the harmful nature of performance-based funding.

1310

OCUFA recommends that universities should, as a condition of receiving public funding, produce reliable, accessible and comparable data. Greater availability of data would support expanded accountability and allow the sector to understand how it's doing while supporting continuous improvement in teaching and research quality. To that end, OCUFA is proposing that a new higher-education data system in Ontario be administered by a new arm's-length agency of the provincial government.

The Chair (Ms. Soo Wong): Ms. Bates, can you wrap up your presentation, please?

Dr. Judy Bates: Yes. This organization would be responsible for determining what data are needed by the sector, and analyzing the data to facilitate informed choice.

I want to mention that there is no evidence to suggest that performance funding is effective in improving student and institutional outcomes, and it will certainly foster inequities in the system by creating winners and losers.

The Chair (Ms. Soo Wong): When I say "wrap up," it means one sentence.

I'm going to turn to Mr. Baker to begin this round of questioning. Mr. Baker?

Mr. Yvan Baker: Judy and Mark, it's good to see you again.

Dr. Judy Bates: It's good to see you.

Mr. Yvan Baker: Thanks for coming in today. Thank you very much for your presentation. It's very helpful.

What I wanted to ask you about was one of the challenges that we've heard a lot about—particularly even here at the finance committee over the course of the budget presentations: The cost of tuition for students keeps coming up, particularly how it impacts low-income students. I'm wondering whether you could share with me your thoughts as to what the government could do to help address that challenge.

Dr. Judy Bates: The way to address it is to increase government support and government investment in universities so that there's less of a burden on students to cover the cost of their education. As I mentioned in the presentation, students in Ontario now pay the highest tuition rates in Canada. In fact, in the last year, my understanding is that now tuition rates are more than 50% of the total income coming into universities. They're now paying more than half of investments in Ontario universities.

Mr. Yvan Baker: Is there anything in particular for low-income students? I've heard what you said on the funding side of it, but is there something, aside from funding increases across the board, that you would advise for those who are of low income?

Dr. Judy Bates: I think we need to see much greater levels in terms of grants as opposed to loans. With low-income families, it is often hard for them to cope. I think that there are many students from low-income families who are deterred from attending university because of the understanding that they're eventually going to have to pay these huge amounts of money back. It's rather like having a second mortgage. Low-income students' families cannot afford to take on that burden.

Mr. Yvan Baker: One of the things that you spoke about and included in your submission was the need for better data in universities. When you and I first met, we talked about a private member's bill that I had that's related to this topic. I appreciated your input on that during that process; that was very helpful.

Could you just talk a little bit about—I know you have it written down here, but maybe expand on it a little bit: Why is this so important that we have this better data? "Better data" means different things sometimes to different people. Could you talk a little bit about what kinds of data you're thinking of and who would be the users of that data?

Dr. Judy Bates: We certainly have reasonably good data on full-time faculty. We would like clearer information about full-time faculty, and especially data that is more easily comparable across institutions. That's an issue we struggle with at the moment.

Perhaps of greater importance: We have almost no data at all on contract academic staff or faculty. There is very little knowledge about who is teaching at our institutions, how many courses they're teaching, where they're coming from, what their qualifications are, what their research interests are, what departments they're teaching in, how much that has grown over the last 10 or 15 years, and how many students those contract faculty members are teaching. We know nothing about what is

happening amongst the contract faculty. Given that in many institutions they represent nearly half of the total faculty, this is a huge gap in our knowledge about what is happening at universities in Ontario at the moment.

Dr. Mark Rosenfeld: If I may add: We have data collection, but it's fairly decentralized. An agency that would bring all that data together, to make it both comparable and accessible, is something we would strongly advocate for, especially also in light of what happened with the previous government at the federal level, where there were major cuts to Statistics Canada funding—so data collection actually contracted.

Here is an opportunity—coordinating, obviously, with the new federal government—to expand the data collection at the Ontario level, which would inform policy-making as well—data-based policy-making, which I am sure you would all agree is critical.

Mr. Yvan Baker: Is there anything in particular, in terms of the data that you would collect, that you would think would be useful from a student perspective?

Dr. Judy Bates: Well, again—

Mr. Yvan Baker: Aside from what you've just talked about—I've heard you. Is there anything else that you wish to—

Dr. Judy Bates: I know that in your private member's bill you would like to see more data available, so that students can make better-informed choices about where they would like to attend university, to know more about the programs and the courses that are available. That could certainly be helpful to students, yes.

The Chair (Ms. Soo Wong): Okay. I'm going to stop here. Thank you, Ms. Bates, and thank you, Mr. Rosenfeld. Thank you for your written submission as well.

ONTARIO PUBLIC SERVICE EMPLOYEES UNION

The Chair (Ms. Soo Wong): The next group before us is the Ontario Public Service Employees Union, OPSEU. Are they here? Okay.

Mr. Clerk is coming around with your written submission. Gentlemen, welcome. Mr. Thomas, welcome again. I think you know the drill.

Mr. Smokey Thomas: Yep, I've been around the block a couple of times.

The Chair (Ms. Soo Wong): You have 10 minutes for your presentation, followed by five minutes for questions. This round of questions will be coming from the official opposition party. When you begin your presentation, please identify yourself for the purposes of Hansard. Welcome again.

Mr. Smokey Thomas: Thank you. Good afternoon. I'm Smokey Thomas, president of the Ontario Public Service Employees Union. With me today is our political economist, Randy Robinson.

We're here today representing 130,000 working Ontarians. Those of you who have been in public life for a while should know the work OPSEU members do. We know how to kick-start and restart your heart. We run the

tests that diagnose cancers. We stop teenagers from committing suicide. We protect women and children from domestic abuse. We keep the courts running. We keep the drinking water safe. We keep workplaces safe. We supervise those accused of crimes and those guilty of crimes. If you want to be a journalist or a heavy-duty mechanic, we can teach you. If your child needs a student loan, we can help.

I could go on and on. The point is, our members use their skills in an incredible variety of jobs. The work they do is an indispensable part of the fabric of life in this province, and I couldn't be prouder to represent them.

As MPPs, your most important job is to make sure these people have the support they need, to keep on serving Ontarians. That's what the provincial budget is for.

Now, I've been saying this for my whole career, but in this forum, I'm starting to wonder why I bother. I talk to regular people every day, and what I'm hearing is a serious disconnect between what Ontarians need and what the government is doing.

In a 2014 study of political influence, two American academics looked at close to 1,800 policy changes made by the US government. What they found was shocking. Not only do ordinary citizens not have substantial power over policy decisions; what they found was that they have little or no independent influence on policy at all. So you can see why Bernie Sanders is doing so well right now. He is tapping into a growing awareness among many Americans that what ordinary people think just doesn't matter.

I am sad to say that we have the same problem here in Ontario. If you need an example, look no further than Hydro One. Some 80% of Ontarians oppose the privatization of electricity transmission. They don't like the loss of public control and public oversight. They are worried about prices. They are worried about losing revenues Hydro One brings in. According to our Financial Accountability Officer, they are right to be worried.

In October, Stephen LeClair told us that selling Hydro One won't make money for the province; it will cost money. It's a silly idea. On the government's budget consultation website, not selling Hydro One is the second most popular idea there, yet the government is selling it anyway.

1320

Of course, this doesn't surprise me when the acting Premier of Ontario is an ex-banker named Ed Clark. Here's a man who thinks that full-time employees in the LCBO stores get paid too much because they get overtime on some weekends. Meanwhile, his pension is \$200,000 a month. It takes a lot of nerve, but that's one thing the ruling class in Ontario is not short of.

I've talked before about the web of connections that link this government and the Liberal Party to the richest companies in Canada. I won't belabour the point here. You can read it in our booklet—it's in your packages—called It's in Their DNA. But here's the key message: There is an elite class in this province, and it controls the

broad themes of the provincial budget. That may explain why Ed Clark's son, Bert Clark, can use his post at Infrastructure Ontario to spend \$8 billion too much by funnelling public dollars to public-private partnerships, and he still has a job.

All the money we're losing on asset sales and P3s goes to profits. All of it comes out of public services. If I go back to the government's budget consultation website, the most popular option put forward by Ontarians is that we should fully fund health care in this province. Note that it says "fund"—not "fix," but "fund." Yet this government is killing health care. We're ranked last of all provinces in public hospital funding per capita, and we're just as far behind, right across the system. I have members in home care who get paid \$17 for a home visit that can take up to two hours. One of those units took an eight-week strike, trying to get a first contract. In every area of health care, private operators are swarming like flies. They suck their profits out of workers and patients alike. Privatization is hurting quality of care.

Now, budget problems are not unique to health care. Ontario has the lowest overall program spending per capita of any province in Canada. The government brags about this, but it should be ashamed instead. We should be striving to have the best public services in Canada, not the cheapest.

The funding situation for public services is so desperate that some colleges have opened campuses in Saudi Arabia, openly violating our provincial Human Rights Code while the government looks the other way. Frankly, it's hard to get a straight answer from anybody on that. This is both ridiculous and unnecessary, especially at a time when there is so much money around.

I mentioned last year that in early 2015, Ontario broke the previous record for gross domestic product per capita. It's a fact. There is more money in this province per person than ever before, yet working people are broke and up to their eyeballs in debt. Government is broke and up to its eyeballs in debt. But Ed Clark is thriving.

In 2014, the top 100 CEOs in Canada made close to \$9 million a year, on average. Corporate Canada's massive cash hoard shows no sign of being invested in job creation. In fact, the last Ontario budget showed that business investment was so weak, it was actually dragging the economic growth down.

In the communities where my members live, we're seeing stagnant wages, weaker public services and fading hopes. The government is working fine for the Ed Clarks of the world; it's just not working for the rest of us.

Growing inequality is staring right at us. Our fellow citizens on Ontario Works and the Ontario Disability Support Program see its face every day. I sincerely hope this committee will recommend a significant increase for all those on social assistance, so they can at least feed themselves and their families. And I don't mean a raise of \$6 a month; I mean a real serious raise. At least put it back to where it was when Harris cut it. This government promised to right that wrong, and they've never righted it. In fact, they've made it worse.

Our Premier likes to present herself as a progressive. For example, on January 23, she put out a tweet, saying, "Together, we can close the gender wage gap." Well, let me tell you what she's doing about the gender wage gap. First of all, she's pushing the gender wage gap wider by cutting real wages for the most female sector of the whole economy: the public sector. The Liberals have been doing this for more than five years now.

Second, the amount of money she's saving by cutting public services is comparable to the extra public dollars she's pouring into infrastructure. The lion's share of that money is going into construction, a sector that's 88% male.

Third, the Wynne government is cutting wages for women by ending funding for pay equity for women in what's called the "proxy sector." In OPSEU, we have 180 bargaining units where the Liberals have stopped funding pay equity. There are hundreds of other units in the same position. Tens of thousands of women, mostly with modest incomes, are being denied money they are owed by law. Many of them will never reach a pay-equity-compliant rate before they retire or—God forbid—die.

As with Saudi Arabia, this is a human rights violation, pure and simple, and it's increasing the gender wage gap. We need to deal with the inequality in our society, not just between women and men, but between the social classes.

Ed Clark Nation is stealing our public services, our public assets, and our public dollars. We need to get them back, and we aim to get them back. It's not hard to figure out how. Our finances are out of balance because of two decades of tax cuts in this province. The net result is that public coffers are missing \$20 billion a year in revenues. Tax cuts were supposed to make us all rich; instead, they've reduced us to fighting over scraps.

This has got to end. This budget must include significant revenue increases to breathe some life back into our public services, and those revenues must come from the individuals and corporations who have profited so handsomely from their perch at the top of the food chain.

We'd be pleased to take your questions now.

The Chair (Ms. Soo Wong): I'm going to turn to Mr. Barrett. It's your turn to start this round of questions.

Mr. Toby Barrett: Thank you for the presentation. On the finance committee, we've had a number of presentations from OPSEU members and many correctional, probation and parole officers.

Just before Christmas, I had a tour of the Thunder Bay jail, just a few days after the hostage-taking, when the top floor was taken over. I spent 10 years going in and out of Burch, down south of Brantford, and that was kind of a country club compared to what I consider a hellhole in Thunder Bay. It was built in the early 1920s.

I know it was a bit tied in with the job action and what have you—but just a quick comment on the Thunder Bay jail and other institutions like that: I'm surprised these facilities still exist. I know there was an attempt a number of years ago to build a new jail, probably under a public-

private partnership. That was opposed, and an election happened. Any quick answers on these antiquated institutions that are still out there?

Mr. Smokey Thomas: Yes, it's called money. You need to build new jails. I'm not really in favour of the government's plans to build superjails like Toronto South. That's the largest jail in Canada—I think second-largest; there's one larger federal facility.

Corrections is care, just like health care, just like anything else in society. It's supposed to correct behaviour, not punish. If they're going to build new jails, they do need to be closer to communities, particularly in the north. If Thunder Bay needs a new jail, the minister needs the money to build those jails, but the minister also needs money to fix the problems in a whole host of other jails that have been created by this government, quite frankly. It takes money to fix the problems.

Mr. Toby Barrett: I'm tempted to pick up on this: Bernie Sanders is doing so well right now tapping into a movement or a growing awareness of something, and Donald Trump is doing quite well right now. We'll know better tonight, if anyone is going to watch the Iowa caucus.

Again, I see some similarities in what is happening out there. I'm afraid many of us do follow American politics. How about the regular people who go to primaries and vote and what have you? Who are they getting tapped into? Are they the problem, if that's what you're suggesting?

Mr. Smokey Thomas: Well, Bernie Sanders openly calls himself a socialist in the United States. That's probably not quite what I would describe as a socialist, but anyway.

But take here in Ontario. I do travel all over in Ontario. If it touches your life or your body, one of my members has a hand in it, and what I'm hearing from my friends and neighbours in all my travels—I toured a medical marijuana plant last week and talked to them about legalizing marijuana—is that people are starting to figure it out. The austerity agenda, the desire to balance the budget in 2018 and the infrastructure are chipping away at public services and the things that people really need.

The real villain here is the government's desire to balance their budget. They've cut taxes. It's not just any one thing, but it's a bunch of things combined. Now we have, as we've called it in the past, the perfect storm.

1330

I think if there was a look at raising revenues again, putting money back in the public services—New Brunswick just announced a 30% reduction in management. Hallelujah. Why don't you look at that here in Ontario? Hospitals: One boss for every five workers. With some government agencies, I've got members who have six bosses, and there are 12, 14 people left in the department. There's never been a manager laid off anywhere in the public service, but I can tell you, we've lost 25,000, 30,000 members out of the Ontario public service, direct government workers, and management has grown.

There's a real need for a real serious look at how work is structured, how it's supervised, how it's financed and who does what. I think that would be a useful exercise for this government to take on, but bosses won't lay bosses off. I've said it before: Pay me \$1 a year and I'll take on the job. I'll reduce the size of the public sector substantially for you and reinvest the money in public services.

Mr. Toby Barrett: I haven't had time to go through the family tree—I have quite an interest in genealogy. Could you maybe summarize this? Does this follow the money? Is this about influence in elections? I know both unions and corporations donate a great deal of money during elections—not down in my riding, I might add.

Mr. Smokey Thomas: Well, we didn't give any money to the Working Families Coalition. We don't have anything to do with that. If we supported anybody, it was the NDP, modestly at best.

But if you follow that, it's the circle of influence. Take Infrastructure Ontario, the board. Bert Clark is Ed Clark's son. Bert Clark also works on Bay Street, and he works for companies. He teaches them how to bid on the P3 partnerships.

Pat Dillon, I love him dearly. He's head of the building trades in Ontario. But he sits on the board of Infrastructure Ontario, which awards government contracts to companies that employ his members.

To me, it's incestuous at best. I would say that perhaps one thing here in Ontario—I think the RCMP should look at it, not the OPP. You can't investigate your boss. It's not fair to the OPPA officers. I say take a look at that. I do have some media interest in that and intend to pursue it.

The Chair (Ms. Soo Wong): Okay. Mr. Thomas, your time is up. Thank you for your presentation and your written submission, and thank you to you, Mr. Robinson.

COLLEGES ONTARIO

The Chair (Ms. Soo Wong): The next group before us is Colleges Ontario. I believe Linda Franklin is coming before us. The Clerk is coming around with the written submission.

Welcome, Linda. We get our annual visit from your group.

Ms. Linda Franklin: Absolutely.

The Chair (Ms. Soo Wong): Thank you for being here. As you probably heard, you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questions will be coming from the third party.

You may begin anytime. When you begin, can you please identify yourself for the purposes of Hansard?

Ms. Linda Franklin: Sure. Thanks. I'm Linda Franklin. I'm the president and CEO of Colleges Ontario. Thank you very much.

Madam Chair, members of the Standing Committee on Finance and Economic Affairs, I really appreciate the

opportunity to speak to you today about the critical need to invest in the education and training of our future workforce. You've had one money discussion; now you're going to have another one, I fear.

As many of you know, Ontario's colleges have grown and evolved in tremendous ways. When we first opened our doors in 1967, almost 50 years ago, we trained less than 20,000 students for technical and vocational fields. Since then, our colleges have expanded to become world leaders in career-focused, post-secondary education in every part of the province. Our colleges today offer 900 programs in everything from health care to business, biotechnology, hospitality, engineering, advertising and much more. Our graduates are leaders in emerging fields, such as 3-D manufacturing and digital health care.

More than two million people have graduated from Ontario's colleges, which are unique institutions in the world, and they are achieving success in every sector of the economy. Our alumni include hospital presidents, CEOs and even some celebrity chefs.

Education is our competitive advantage, and we must build on this legacy of excellence and maintain that advantage. In 2017, as I mentioned, the province will celebrate the 50th anniversary of our college system. It's a watershed moment that we think the province must seize as we look to the future and the emerging opportunities in the new economy.

We all know that Ontario faces fiscal challenges. The reality is that investments in the future success of our students are critical to promoting a stronger economy and helping more people—particularly our young people—find meaningful employment. Ontario needs a clear vision for post-secondary education with an applied focus. We must ensure that the resources are there to support that vision.

Today, I'd like to describe some of the priority areas that we think have to be identified and addressed in the government's spring budget.

First, our students, particularly those with special needs: As Ontario strives to produce a more highly qualified workforce, a key priority that must be addressed is funding to support students with special needs. We must recognize that most of the special-needs students who enter the post-secondary system choose college over university. In fact, in the past 10 years, the number of college students with disabilities has grown by 93%. The growth has been particularly rapid for some categories of disabilities. For example, the number of students with attention deficit/hyperactivity disorder has grown by 70% over the last five years. The number of students with mental health issues has increased by 163%. Providing quality services and supports for college students with special needs must be a priority.

Currently, the funding provided to colleges for special-needs students is significantly less—about a quarter—than what is provided to high schools. That large gap has to be narrowed. Imagine the education journey of a student who has all sorts of potential. He's really smart and needs some support to be successful. In

high school, you have those supports there and your parents can be involved, and the minute you get to a university or a college, all of those supports drop through the floor. Privacy laws mean your parents are no longer part of the discussion. How do you help those students succeed?

We believe that this funding should follow students through their education journey, so that the supports available in high school and JK continue to be available right through the post-secondary system. As a start to that policy, in its 2016 budget, the province should increase its allocation by \$15 million to help more special-needs students make the transition from high school to college successfully.

Another priority for this year's budget, in the same vein, is to help more people from under-represented groups get access to higher education. Once they're enrolled, of course, it's not just enough to get them through our doors; we have to ensure they have the help they need to complete their education successfully.

The government currently provides \$7 million to colleges through the first-generation institutional grants, but that funding is project-based and we can never be certain the funding will continue from one year to the next. We believe the fund should be replaced by a new student success fund that provides dedicated funding for at-risk students. To strengthen the supports that help numbers of at-risk students complete their college education, we are also proposing that the existing funding be increased by \$8 million.

Ontario must enhance the supports available to low-income students so that they have the same capacity as everyone else to succeed and have good careers. In particular, we would urge the government to reform the eligibility criteria for the 30% Off Ontario Tuition Grant—the OTG—so it reaches more students from low-income households.

Currently, the tuition grant is only available to students who graduated from high school within the past four years. In the college system, 60% of our students don't come directly from high school, so the vast majority of those students are not eligible for this grant. Many college students, including our most needy students, have been out of high school much longer than four years, and yet, half of our student population comes from households with a total income of less than \$60,000. The eligibility criteria should reflect their needs, as well as students who come directly from high school.

The next area that I want to highlight is the ongoing pressure to address capital repairs. We're really pleased that the government has committed to invest \$500 million over the next 10 years to address critical maintenance in post-secondary. While this is an important commitment, we have to recognize that the deferred maintenance backlog at colleges is a critical problem—we have many, many 50-year-old buildings—so colleges currently face a backlog of more than \$1 billion in deferred maintenance, and that number gets larger every single year.

As we prepare to celebrate the 50th anniversary of our colleges, we must look to the next 50 years and start

making investments now to meet the emerging demands of the coming half-century. We're recommending an increase in repairs and upgrades, including a new fund of \$50 million over three years for capital legacy projects at the colleges. With matching funds from the private sector, this funding could be used for a number of important projects to strengthen college education. Eligible projects would include the modernization of facilities and projects that enhance teaching and learning environments for students.

Investments in improving Ontario's colleges could also play a central role in the effort to tackle climate change. Many of our college buildings are old and need significant upgrades, and through a renewed investment in retrofits and construction at our colleges, we can promote greater energy efficiency and transform our campuses to create a new generation of net-zero buildings that generate as much energy as they consume. It's a win-win, I think, for a government that's interested in climate change and its effects and a college system with students who could be the next generation of those working in these important areas.

Investing in our institutions will improve student learning and reaffirm Ontario's position as a leader in the fight to reverse climate change.

1340

There is also a need for a new technology modernization fund for northern and rural colleges. In northern and rural communities, as you know, colleges are limited in their ability to invest in much-needed technology. They have used previous financial support from the province to invest in innovations that reduce their costs and increase efficiencies, particularly in technology, but there is more that can be done. We're urging the government to use its 2016 budget to announce a two-year investment of \$10 million to help colleges that serve rural and northern communities and ensure that all students across the province have the same access to up-to-date technology that they need for the careers of the future.

Another issue that needs to be addressed in the 2016 budget is applied research and a commitment to making Ontario a leader in innovation, particularly as we need to look to our small and mid-sized companies to help lead the way and create new jobs. It's well recognized that Ontario has a poor track record in comparison to other international leaders in innovation. Only 3% of Ontario businesses perform any research, and the record suggests their performance in other indicators of innovation is lacking. Ontario must support innovation in key industry clusters that will benefit a wide range of businesses and create jobs right across our province.

Colleges will play a key role in this, helping more businesses to innovate, particularly small and mid-sized businesses. Today, our colleges are working with more than 750 business partners and 80 organizations on market-driven research activities that will help them find new efficiencies and develop real-world innovations.

We need to do more. To support competitiveness and job creation in key industry clusters, the province should

use its 2016 budget to create a \$30-million, multi-year fund to establish college-based industry cluster experts. This will help local businesses get access to the support and information and educational resources they need to create new products and processes that strengthen our economy and create jobs. It will also provide more opportunities for students to participate in real-world research that has an impact on our lives.

Finally, it's important to stress again that colleges need a minimum level of provincial funding to keep up with the ongoing costs of providing quality post-secondary programs. The system-wide costs for compensation and other college expenses are expected to grow by more than \$110 million in this coming fiscal year. While anticipated tuition increases of 3% will help offset some of those costs, the fact remains that colleges face a funding gap of \$86 million in the coming year, and that number gets bigger every year. For Ontario to become North America's leading jurisdiction for talent, skills and training, the government must invest in college education.

Thank you for giving me this opportunity today, and I welcome any questions you might have.

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you, Ms. Franklin. There are questions for you from Ms. Fife.

Ms. Catherine Fife: Thank you, Linda, for the presentation.

I'm happy that you raised the 30% tuition grant. It has been a long-standing issue. We've heard from students who obviously would love to enter the college stream, but, as you point out, they don't go directly from high school into college. So this definitely needs to be looked at. It was a politically motivated grant that was brought in during an election, and it's time to revisit it. We share your concern about that.

Ms. Linda Franklin: Great.

Ms. Catherine Fife: At the end of your presentation, you say, "While anticipated tuition increases will help offset some of those costs..." The college sector—are you just building some increases in so that you can actually keep functioning, going forward? Is that the reality?

Ms. Linda Franklin: The current tuition framework allows for a 3% increase in tuition every year for a five-year period. It ends at the end of this year. So the expectation is that most tuition at colleges will rise 3%.

Ms. Catherine Fife: Yes. You know that the government is doing a review of university tuition and funding right now. They're looking at performance-based funding. Do you want to share any thoughts on that and how it would affect the college sector?

Ms. Linda Franklin: Sure. First of all, one thing to bear in mind is that the funding formula review is important, but it doesn't add money, so it's really a shuffling-the-deck-chairs exercise—

Ms. Catherine Fife: That's a good point.

Ms. Linda Franklin: —which is not unimportant. Right now, all of our new money comes from enrolment increases. We're in a period of demographic decline for

the next few years, so if we kept using those formulas, we would be in serious trouble, particularly our rural and northern campuses, as would the universities. So it's an important exercise, but not to take away from the fact that there is just not going to be enough money in the post-secondary system for the next few years.

In relation to performance-based funding, we have no trouble with that. We do a lot of learning-outcome-based programming. We have a lot of performance indicators that the province measures now. So we're not concerned about this.

The one challenge that we have, of course, is that once again it has some unintended consequences. You have to be very careful what you're measuring. For example, if you measure an improvement in the graduation rate, what do you do for colleges that have an access agenda and are trying to help more challenged students get in to college? Would they simply raise their admission bar?

Ms. Catherine Fife: And you point that out, actually, in your own presentation: You've seen an increase in special education by almost 93%.

Ms. Linda Franklin: Yes.

Ms. Catherine Fife: That would be our concern with any performance-based tuition grant. If you're going to be serving underprivileged and marginalized students, it's not a level playing field. Right?

Ms. Linda Franklin: Yes, absolutely.

Ms. Catherine Fife: I've been in contact with Conestoga College. I think I raised this issue with you last year: The government reduced the Apprenticeship Training Tax Credit for skilled trades in last year's budget. I think it was by 25%, which is a fairly significant amount. Our concern about that was that if you want to build apprenticeships in the province of Ontario, which we do—we should all want that, because we need those skilled trades, and colleges are a major player in that.

We're really hoping that the government looks at the reduction in apprenticeship opportunities and sees the impact of that tax credit going forward, because we've seen—anecdotally, anyway—a negative impact of cutting and reducing those opportunities for students to apprentice.

Ms. Linda Franklin: I couldn't agree with you more, Catherine. There's a real need to overhaul the whole apprenticeship system. From the financing to the transparency, how do you get more young people into it? Anything that looks at that system more broadly would be very welcome.

Ms. Catherine Fife: That's good to hear.

I just want to say that the colleges in this province have been incredibly adaptive. It's true: Both MPP Vernile and myself have 2,000 jobs in our region and we don't have the skilled workers to fill them. Or there's a gap between the education component and the workforce component. Those are jobs that need to be filled because that's a productivity issue, as well, and it's an economic issue, of course. The colleges in the province of Ontario, I think, are uniquely placed to actually address some of those skilled workforce shortages, but you need to be funded in order to do so.

Ms. Linda Franklin: Exactly.

Ms. Catherine Fife: Thank you for coming in today, Linda.

Ms. Linda Franklin: Thanks very much.

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you very much for your presentation today.

REGISTERED NURSES' ASSOCIATION OF ONTARIO

The Vice-Chair (Mr. Peter Z. Milczyn): Our next witness is the Registered Nurses' Association of Ontario. You'll have 10 minutes for your presentation, followed by questions from the government side. As you begin, could you please state your name for the official record?

Mr. Kim Jarvi: Thank you. My name is Kim Jarvi. I'm the senior economist at the Registered Nurses' Association of Ontario. Doris Grinspun was going to deliver this presentation, but she's at a funeral right now, and it looks like she hasn't been able to get back, so I'll answer the questions to the best of my ability here.

We're speaking about the Canadian economy. We know it's experiencing a lot of turbulence, but as we look at the situation for Ontario, it's actually reasonably good, we would say. We've got low interest rates, which facilitate investing in the economy. You've got a possibility for enhanced revenue measures such as reducing tax avoidance, more green taxes, pricing carbon and surcharges on those better able to pay. That will address the deficit, which has been declining consistently over the last number of years.

That brings me to our first point, and that is, we urge the government to ensure that the sustainable fiscal capacity exists to deliver all the essential health, health care, social and environmental services, and to do so by building a more progressive tax system. Our first message in that regard is: Don't cut taxes, please. Also, reject fire sales of publicly owned corporations and other assets, including holding further sales of Hydro One.

Nurses know that health expenditures are rising. It's been slowed quite a bit, but it's inevitable, in part due to changing demographics. It is also being driven by an historical focus on illness-based care. We believe that the government is starting to address that, and we encourage them to go further. We need to think differently and to implement measures that will keep people longer in their communities and out of institutionalized care.

1350

We strongly reject efforts to privatize publicly funded and not-for-profit health care. Instead, we urge you to build the second phase of medicare and to sustain it for generations to come. When I'm talking about the second phase, in the first instance it's those things that haven't been covered by medicare so far. The Minister of Health has been speaking about a national pharmacare program. We think that's a key step. Public spending on pharmacare has risen to 9% from 1.2% over 40 years ago. In spite of that, it's not covering a big chunk of the total drug expenditures. It's actually the private sector that

pays the bulk of those expenditures, and they would certainly benefit a great deal. When you include private expenditures, drugs consume 16.7% of overall health expenditures in Ontario. That's a huge chunk.

We know from recent research by Morgan et al that a national pharmacare program would save many billions of dollars for Canadians and Ontarians. It would save it not only for the government but also for individuals who are paying privately for their insurance and it would save employers who pay a heck of a lot of money for the drug portion of their health care insurance.

The other good news on this front is that the public is very strongly in support. The polling is very high in favour of a national pharmacare program. As I mentioned, Minister Hoskins has been calling for a national pharmacare program, and we're in support of that. But we would ask that it be a comprehensive program and one that avoids all copayments and other user fees. In other words, it's in keeping with the principle of the Canada Health Act. Ideally, it would be a national pharmacare program, and that's what the minister has been pushing. We would urge Ontario to proceed one way or the other—for instance, the way they have with pensions—if we're not making headway in pharmacare.

Another issue with respect to health care is medical tourism. The government, again, has taken a number of steps to stop this. This has happened in a number of hospitals, where foreigners have come and paid large amounts of money to get health care in public facilities. It buys them the front of the queue. We're pleased that the minister has placed a moratorium, but let's take the next step and go for a full ban on inbound medical tourism in Ontario. That's the voluntary inbound medical tourism, not the stuff based on need—if you're sick, for instance, for refugees.

Another issue in the health care system is actually related to nursing HR. We're finding increasingly that RNs are being replaced with less-qualified providers in the hospital sector to save money, and also in long-term care. We know that's not good for patients; the research tells us that when you have sufficient RNs, you get fewer complications, lower mortality and morbidity rates, and enhanced patient safety; overall, a higher quality of care. Does it make sense to have fewer RNs? We say no.

What we're asking for is that there be a moratorium on RN replacement until the province does a robust inter-professional health human resource plan that considers the full needs of our population and the full utilization of all members of the interprofessional health care team.

There is some good news. Ontario is performing quite well with full-time shares of employment for RNs. At one point, 50% of RNs had full-time employment in Ontario, and now it's getting close to the target of 70%. We're looking for that for all nurses, to reach the goal of 70%.

Another area of progress has been nurse practitioner positions in long-term care, which improve the quality of care and increase the capacity to respond to rising resident complexity. The government committed to 75

positions; they've delivered 30. Let's get the other 45, please. We would like to see it move beyond there, because there's scope for nurse practitioners to greatly enhance—if you can bump the total up beyond that as well.

Where does the money come from for all of this? In part, we're talking about changes that can save you money. We would point to the minister's discussion paper around Christmastime on a vision for a health system realignment. It's a very important first step, and we urge everybody to read that paper.

We would urge the government to expand the mandate of the LHINs—the local health integration networks—to include planning, funding allocation, monitoring of accountability, and evaluation of an entire regional health system. That would include public health units, primary care, hospitals, and community and long-term care. But we don't want the LHINs to deliver the health services themselves. That would shortchange their role and weaken the health system.

We would also urge the minister to dissolve the CCACs—the community care access centres—as structural entities and reallocate their functions to other areas of the system. There's quite a bit of administrative overlap, and quite a bit of money can be saved that way. There's a potential to save upwards of \$200 million a year, and that can be reinvested in direct health care.

That would entail, among other things, taking the 3,500 care coordinators from the CCACs—the majority of them, 3,000, are RNs—and putting them into primary care, which is where the focus of health care modernization has to move. We would like that to be part of true interprofessional primary care—

The Vice-Chair (Mr. Peter Z. Milczyn): Mr. Jarvi, could you start wrapping up, please?

Mr. Kim Jarvi: Okay—which is the hallmark of a high-performing health system and must be the foundation of Ontario's health system.

I'm going to cut quickly to the chase here. We would urge moving on RN prescribing, which has a real potential to enhance care and also make better use of nurses. It has been very successful in England—

The Vice-Chair (Mr. Peter Z. Milczyn): Sorry. I'll stop you there, to make sure we have enough time for questions. Ms. Wong has questions for you.

Ms. Soo Wong: Mr. Jarvi, thank you very much for being here. I just want to be on record, as a former registered nurse, that I'm quite familiar with RNAO.

I believe that our committee has actually heard from a number of your colleagues across the province, from Hamilton to Windsor to Ottawa, and across the province. Unfortunately, Doris is not here, but I'm very, very pleased that you submitted your written submission to the committee.

I just have a couple of quick questions, because time is very limited for my questions to you. With respect to your comment on page 3, dealing with medical tourism, I want to hear your position. I've been a strong supporter—I'll be on the record—of the Hospital for Sick

Children's Herbie Fund. Does the RNAO see that organization as medical tourism?

Mr. Kim Jarvi: As I understand it, no.

Ms. Soo Wong: Okay, because when you lump them all together—because these are international children coming to the hospital—

Mr. Kim Jarvi: These would be situations of urgent need, and it's not a for-profit venture.

Ms. Soo Wong: It's humanitarian versus for-profit? Okay.

Mr. Kim Jarvi: That's right. It's an excellent question.

Ms. Soo Wong: I would like to hear if the RNAO, down the road, would have any future definitions or criteria. I would suspect that every teaching hospital across the province would reach out to various international organizations to do humanitarian work. I just want to see if, down the road, RNAO would be considering that.

Mr. Kim Jarvi: I believe that's already in our documents.

Ms. Soo Wong: I notice your remarks here about nurse practitioners. Your colleagues in Hamilton and elsewhere across the province, two weeks ago, talked about the disparity of salaries amongst nurse practitioners.

Mr. Kim Jarvi: Thanks for raising it.

1400

Ms. Soo Wong: So I wanted to get some clarity, because you didn't mention it in your written submission, but your colleagues in Hamilton did raise it in both their verbal presentations and written submissions to this committee about the flat-lined or frozen NP salaries, and yet the physician salaries have gone up.

Can you clarify that? Because in your remarks in your written submission here, on pages 4 and 5, you mention that there is "poaching"—I will use the word—between nurse practitioners in long-term care versus the community, and there is some disparity of funding. Can you clarify that a little bit further?

Mr. Kim Jarvi: What we were speaking about there is equity among nurse practitioners between the hospital sector and the primary care sector. There's the risk of poaching into the hospital sector, where there is better compensation.

You raise a different point about equity between primary care physicians and—

Ms. Soo Wong: Because your Hamilton colleague's written submission to this committee is saying that there were increases to physician compensation versus nurse practitioner compensation. I just want to know, from RNAO—from the CEO, although she's not here—I just want to get that data, if you can forward it to the committee. I just want to know, because it's not here in this written submission, and you didn't mention it in your presentation.

Mr. Kim Jarvi: Yes, we don't address that in the submission, but I think that's an important point, because

NPs have lagged behind family physicians quite a bit in recent years.

Ms. Soo Wong: Okay. The other piece here is, I know you make reference in your written submission to the committee with regard to Minister Hoskins's report—and I have it right in front of me—Patients First.

Reading between your written submission and your presentation to us this afternoon, am I hearing that there is some support of the minister's report? Because you talked about the LHINs, and the CCAC boards ceasing to exist. Can you elaborate on that piece for us?

Mr. Kim Jarvi: They're talking about a review of the role of the CCACs. We have our own suggestion as to what role that ought to be, that it ought to be resolved, so that's one of the points that you'll find in our submission. Our ECCO report from 2012 had made that same recommendation, so we find that the minister's paper is not inconsistent with our position.

Ms. Soo Wong: Thank you.

The Vice-Chair (Mr. Peter Z. Milczyn): Okay, thank you very much for your presentation, and thanks for your submission as well.

INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA

The Vice-Chair (Mr. Peter Z. Milczyn): Our next witness is from the Investment Industry Regulatory Organization of Canada. Good afternoon, sir. You have 10 minutes for your presentation, followed by five minutes of questions, in your case from the official opposition. As you begin your presentation, please state your name for the record.

Mr. Andrew Kriegler: Thank you, Mr. Chairman. Good afternoon. I'm Andrew Kriegler, and I'm the president and chief executive officer of the Investment Industry Regulatory Organization of Canada, or IIROC. I'd like to thank you for taking the time to listen to our comments today.

Let me begin by saying I'm not here to ask for any fiscal or funding measure to be included in this year's Ontario budget, which may be a bit of a change. Rather, I am seeking the committee's support for two legislative measures which will permit IIROC to better protect Ontario's investors and to support healthy capital markets in the province, measures which would do so at no material cost to the government or taxpayers.

In your materials, you'll find some background information about IIROC. But briefly, we're a public interest regulator. We're a self-regulatory organization that oversees all investment dealers and their trading activity on the debt and equity marketplaces in Canada. We are national. We're recognized by the Ontario Securities Commission and all other provincial securities regulators across the country. We benefit from having the OSC as a strong regulatory partner, and I would like to take this opportunity to particularly thank our OSC colleagues for their leadership, their ongoing support and collaboration.

Ontario is the largest market we regulate. To put this in context, at the end of 2015, of the 174 investment

firms under our jurisdiction, 109 had their head offices in Ontario. There were close to 13,000 registered individuals and more than 3,000 business locations in the province. That demonstrates just how much the investment community fuels economic growth here.

As a pan-Canadian regulator, we employ over 400 people in Toronto, Montreal, Calgary and Vancouver. We set and enforce rules regarding proficiency, business and financial conduct of our firms and their staff, as well as market integrity rules to ensure that Canada's capital markets operate in a fair and orderly manner. When there is a failure to address significant compliance findings, a clear failure to demonstrate a compliance culture or violations of our rules, we take enforcement action.

In 2015, we completed 124 investigations nationally, of which 78 were here in Ontario. The majority of our enforcement cases involved the suitability of investments for seniors, underlining the fact that the protection of vulnerable persons is one of our priorities. As a regulator, it's vital that we have the tools necessary to vigorously and effectively protect the public. This includes the ability to enforce our rules and the sanctions imposed by our hearing panels on those who break the rules.

Investors must be confident that firms and individuals are complying with the rules and that, if they're broken, there will be appropriate consequences. The existence of real consequences acts as a deterrent to individuals who may consider engaging in misconduct, but failure to mete out such consequences undermines confidence in our capital markets.

We collect 100% of the fines levied against the firms that have broken the rules, but many individuals evade payment. You can see their names on our website. Our collection rate for fines owing by disciplined individuals is less than 20% across Canada, and I believe this is unacceptable.

Now, it's true: Sometimes, these individuals have no assets left to collect against. But individuals sometimes evade payment by simply ceasing to be an IIROC registrant. In Ontario, we have no ability to collect beyond that point, regardless of what they've done or how much money they owe. It's wrong. If you break the rules and you abuse the trust that your clients have placed in you, you should pay the penalty and be seen to pay it.

In contrast, the governments of Alberta and Quebec, through their respective securities acts, have given us the power to pursue these wrongdoers. Unsurprisingly, the collection rates in those two provinces are considerably higher than the national rate.

In Ontario, there are over \$20 million in outstanding fines against individuals; money that IIROC could use to better protect investors, fund the administration of our disciplinary panels and support investor education. This fiscal year, our Ontario collection rate for fines imposed so far is 2%. Moreover, Ontario represents 61% of the total amount outstanding across the country.

We're pursuing an amendment to the Securities Act to permit IIROC to more effectively collect fines in Ontario. Such an amendment would give us the ability to enforce our hearing panel sanctions through the Ontario Superior

Court of Justice. It would send a strong and credible message of deterrence and would advance our public interest mandate. It would also foster investor confidence in the regulatory system and, as I mentioned earlier, would do so at no material cost to the governments or taxpayers.

As I already noted, we're required to regulate with a view to promoting the protection of investors and the public interest. We do so under the express authority of either the terms of recognition orders issued by the OSC, or other provincial regulators, or the province's securities legislation specifically.

If the OSC and its staff were to carry out our duties directly, they would have the benefit of protections embedded in the Securities Act. It provides immunity for acts done in good faith in the performance of any duty or the exercise of any power under Ontario securities law. Even though we only carry out the responsibilities given to us by securities commissions, these protections don't apply to us. As a result, IIROC and its staff, including our disciplinary hearing adjudicators, are potentially exposed to legal action by individuals or entities not regulated by IIROC, based on our actions or regulatory powers exercised in the course of our public interest mandate, even when those actions are undertaken in good faith.

I'm here also to pursue the addition of an immunity provision to the Securities Act for the good-faith performance of our regulatory functions, but—let me be clear—only in respect to the responsibilities assigned to us under the Securities Act or by our securities commission recognition order. Under this proposal, when we perform a regulatory function at the behest of the OSC, we would have the same immunity as that afforded to the OSC were it to perform the function itself. This would allow our directors, officers, employees and disciplinary hearing adjudicators to act in the public interest without fear of lawsuits related to their regulatory role.

1410

Before concluding my remarks, I'd like to commend the government for its recent initiatives to modernize financial services regulation in Ontario. The review of the Credit Unions and Caisses Populaires Act conducted and completed by the parliamentary assistant to the Minister of Finance, Laura Albanese, is timely. We are confident that the recommendations resulting from this exercise will, upon implementation, enhance Ontario's credit union sector.

We've participated in the comment process on the preliminary paper of the expert advisory panel established to review the mandates of the Financial Services Commission of Ontario, the Financial Services Tribunal and the deposit insurance corporation. We welcome and support the panel's preliminary recommendations, which are to reduce regulatory fragmentation, promote harmonization among regulators and mandate that financial services regulators work and co-operate with each other. We believe strongly that co-operation and sharing of information between financial services regulators can facilitate

better protection of investors and consumers generally. We currently have agreements in place with over a dozen organizations across Canada and internationally, and are in the process of negotiating several more.

We've also commented on the consultation documents of the expert committee created to consider financial advisory and financial planning policy alternatives. We strongly believe that there's a need for regulation of financial planning. We caution, however, as has already been noted by the FSCO mandate review panel, that there is significant regulatory fragmentation already in Ontario. It is not in the public interest to create yet another financial regulator. To do so would only lead to further consumer confusion, duplication, cost and regulatory gaps. Instead, Ontario should make use of its existing regulators to supervise financial planners operating in their respective jurisdictions, but mandate that they work together and that they move to a common series of standards and discipline.

Thank you again for the opportunity to meet with you. We seek your support for these two legislative amendments that we are recommending for inclusion by the government in the bill accompanying the 2016 Ontario budget. They will enable us to more effectively protect investors and work in the public interest. Thank you.

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you, Mr. Kriegler. Mr. Barrett has questions for you.

Mr. Toby Barrett: Thank you, Investment Industry Regulatory Organization of Canada, for testifying. You indicated that you're not here to talk about funding. Does this organization receive funding or grants from any provincial government or federal government?

Mr. Andrew Kriegler: No. We're self-funded. We charge fees to the firms and the individuals who are licensed to act as investment dealers or investment brokers.

Mr. Toby Barrett: And under what authority? I know little about this area. The Ontario Securities Commission is subject to at least one or more acts of the Ontario Legislature. You were created by an act of the Canadian government?

Mr. Andrew Kriegler: No. The Ontario Securities Act gives the commission the authority to recognize a self-regulatory organization like us. The OSC, the Alberta Securities Commission, the AMF in Quebec, the BC commission etc. have all recognized us as an agent of delivery of securities regulation across the country, so we operate across the entire country consistently.

Mr. Toby Barrett: Through separate provincial legislation?

Mr. Andrew Kriegler: That's correct.

Mr. Toby Barrett: I think of the Ontario Securities Commission to oversee capital markets, and there is an enforcement role. Where is the division of labour between these two bodies?

Mr. Andrew Kriegler: That's a very good question. The distinction is that the Ontario Securities Commission and the others recognize our rules as part of the ecosystem of regulating the capital markets. We're respon-

sible for enforcing our rules and they're responsible for the larger penumbra around it. As an example, if, in our surveillance of all the equity trading that goes on across Canada, we find a violation of our rules, we'll prosecute it. If we find a criminal violation like insider trading, we'll refer that to the securities commission and they'll prosecute it. So we work hand in glove together across the country.

Mr. Toby Barrett: How often does your board meet?

Mr. Andrew Kriegler: Our board meets regularly six times per year, plus usually there's an additional strategic planning session as well, so seven times per year.

Mr. Toby Barrett: And just one last question: Probably seven or eight years ago, there was certainly talk about where the stock market was to lie—is it Toronto, Montreal, Alberta?—and I think there was a legislative committee that looked at the Ontario Securities Commission. What has happened in the last eight years?

Mr. Andrew Kriegler: The way in which things have developed is that large capitalization equities—that is, the big companies—tend to be listed on the Toronto Stock Exchange here in Toronto. The same parent company, the TMX Group, operates the TSX Venture Exchange, which is based in Vancouver, which is for smaller capitalizations, small companies. And in Montreal, under the supervision of the Autorité des marchés financiers, the Quebec regulator, is the Montréal Exchange, which does listed derivatives. So there has been a dividing, if you will, of the markets into those three.

Mr. Toby Barrett: My colleague has a quick question.

The Vice-Chair (Mr. Peter Z. Milczyn): Mrs. Munro?

Mrs. Julia Munro: Just a couple of quick questions.

At the end, you make it clear that you're looking for support—

Mr. Andrew Kriegler: I am.

Mrs. Julia Munro: —for these legislative changes. I'm just wondering if you have received indicators of support. Do you see it as a long process? Have you been able to get any sense of the commitment of the government?

Mr. Andrew Kriegler: Well, obviously I cannot put words in the mouth of the government, but we have been engaged with the government, with the securities commission and with public officials in the department of finance for some time on this matter, and we're hopeful that the government will consider moving forward with it, as we believe that it allows the government to help protect Ontario investors.

Mrs. Julia Munro: Which certainly seems to me to be an appropriate mission. Thank you.

Mr. Andrew Kriegler: Thank you very much.

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you very much, Mr. Kriegler, for your presentation.

ONTARIO CHAMBER OF COMMERCE

The Vice-Chair (Mr. Peter Z. Milczyn): Our next witness is the Ontario Chamber of Commerce. Good

afternoon. You have 10 minutes for your presentation, followed by five minutes of questions, in your case from the third party. As you begin, please state your name for the record.

Mr. Scott Boutilier: Good afternoon, everyone. My name is Scott Boutilier, and beside me is my colleague Katie Sullivan. We're both members of the policy team at the Ontario Chamber of Commerce.

For those of you who are unfamiliar with our organization, we are an independent, nonpartisan organization that advocates on behalf of Ontario's business community. We represent a network of local chambers of commerce and boards of trade in 135 communities across the province, as well as 60,000 employers who operate in all regions of the province and in all sectors of the economy.

I'd like to thank the committee for inviting us here today to express our commentary on priorities for the upcoming 2016 budget. You should all have our submission document in front of you now. As you'll see, it contains 13 recommendations grouped under four separate priorities. We're not going to go through all of those recommendations today, just given the time constraints of our presentation, but we will go through each of the priorities and provide some highlights of key recommendations. Of course, if you have any questions on any of the other recommendations, please feel free to ask us.

If you could all turn to page 4 in your document, I'll start with presenting our first priority, which is to eliminate the deficit and reduce the debt. For those of you who have seen our past pre-budget submissions and past presentations, you'll be familiar with this recommendation, as we've consistently included it in our pre-budget submissions of the past few years. We've done this because, from the perspective of the business community, the province's current fiscal situation continues to be a concern, for a few different reasons.

First, the current fiscal situation, i.e. a large deficit and a growing debt, reduces business confidence in the province and could deter private investment. It also reduces the government's capacity over the long term to engage in productivity enhancements through investment, for example, via rising debt payment obligations, and also compromises the ability of government to respond to future economic slowdowns.

In our document, again, we're strongly encouraging the government to meet its fiscal commitments of achieving a balanced budget by 2017-18, and we have three recommendations in here to do so. I'm just going to talk about the first one, which is to continue to pursue program review, renewal and transformation.

We do applaud the government for moving ahead with the PRRT initiative to identify opportunities for transformation and modernization within government. The practice of reviewing the suite of programs and services that government offers and delivers on a regular basis is something that we've definitely been supportive of in the past. However, out of that PRRT initiative, which has been around for a couple of years now, we have yet to

see any major areas of program or service delivery come up as candidates for transformation, which we believe is an essential key of achieving fiscal sustainability over the long-term. So in our document, we're calling on the government in 2016 to identify an area of major program or service delivery to put out to tender.

Now I'll pass it over to Katie to talk about our second priority.

1420

Ms. Katie Sullivan: The second priority that we've identified is to create and leverage new market opportunities. As the charts on page 6 of our submission illustrate, our traditional trading partners, such as the United States, are experiencing slower economic growth while emerging economies are surging ahead. The three recommendations in this section have been designed to enhance Ontario's trading relationships in emerging markets so as to sustain economic growth.

As articulated in recommendation 2.1, we are supportive of the Trans-Pacific Partnership, but recognize that there is an opportunity throughout the negotiation process for the provincial and federal governments to work together to restore the case for auto manufacturing in Ontario. The auto industry accounted for \$63 billion, approximately one third of Ontario's international exports in 2014, and directly employed over 100,000 people in Ontario. In addition to boosting our economic performance, the industry is a critical source for high technology investment and productivity growth. We believe that it is critical that the government work to retain and attract auto manufacturing investment in the province.

As stated in recommendation 2.2, we are highly encouraged by the government's commitment to spend more than \$130 billion in public infrastructure projects over the next 10 years. We recommend that the government invest in trade-enabling infrastructure such as airports and roads to provide Ontario businesses with more effective avenues to get their goods to market. We've heard from our members that the infrastructure deficit in Ontario significantly burdens industry export profiles. We recommend that the provincial government work with the private sector operators and investors, as well as the municipal and federal governments, to ensure the optimization of physical and technological infrastructure, thereby creating a more competitive supply chain.

Turning to page 9, the third priority that we've identified is to develop frameworks to strengthen the sharing economy. Global revenues from the sharing economy in 2015 were \$15 billion. This sector is expected to reach \$335 billion by 2025. In order to leverage the tremendous growth of this sector, we recommend that the government collaborate with cities throughout the province to develop and adopt effective home- and ride-sharing regulations.

Just last week, Edmonton city council became the first in Canada to pass ride-sharing regulations. We've also begun to see insurance providers offer products for ride-sharing operators. Clearly, other actors have started to adapt to this emerging sector, which we believe opens the door for the government to develop regulations that will

ensure a safe operating environment for sharing services so that Ontarians can continue to benefit from the sharing economy.

With that, I'll turn it over to Scott.

Mr. Scott Boutilier: Thanks, Katie.

On page 12, we have our fourth and final priority, which is to engage the business community throughout the development of regulatory reforms. Really, our intent in the recommendations in this section is to encourage more closely coordinated efforts between the government and the business community when it comes to tackling some of the major issues that the government is looking to tackle, like climate change or retirement income security, for example.

Before I talk about any of the recommendations, however, I did want to recognize the government's Business Growth Initiative, which it recently announced in the fall economic statement in November. Steps, more specifically like the establishment of the regulatory centre of excellence, from our perspective are really, really encouraging and signal that the province is starting to move in the right direction when it comes to thinking about smarter regulation.

On that topic, a key recommendation in this section is for the government to adopt a so-called "better regulation" approach to regulation. The "better regulation" approach is something that's been recently adopted by the European Commission. It has a number of innovative features that we think would suit the Ontario context as well. For example, the "better regulation" approach allows stakeholders to be engaged in the regulatory development process at a much earlier stage in that process. It also ensures that any new regulatory initiative or regulatory proposal is assessed in a public way, alongside alternative policy options.

We really encourage the government to continue to take steps like the Business Growth Initiative, to move further along this path to smarter regulation.

That ends our presentation, so we're happy to take questions at this time.

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you very much. Ms. Fife has questions for you.

Ms. Catherine Fife: Thanks very much to both of you for coming in. You've given us a lot to think about; some of it, you've raised with us in previous years.

I just want to touch a little bit on the ORPP. You say on page 14, "The vast majority of employers in Ontario have not received any direct communication from the government...." Yet there was a recent announcement. I just want to echo your concerns around the confusion perspective, as this government tries to roll out this plan in some way.

In 2014, they said that every employee would be part of the ORPP or a comparable plan by 2020. Last week or the week before, when they made the other announcement, they said "every eligible employee," so there are still some questions out there as to who will be affected by this plan. I guess I'm saying that what we're hearing is there's a lack of clarity. The consistent part of the

ORPP is that there's a lack of clarity on how it's rolling out.

This is day 6 of our finance committee going around the province, and a consistent theme has been the high price of electricity. In your latest report, Emerging Stronger, you said that businesses' confidence level in Ontario's economy is at a five-year low. Would you cite electricity prices as a factor in that statement?

Mr. Scott Boutilier: Electricity prices are definitely something that we hear across the province as the number one concern of the business community. We did a report on electricity prices last summer; it came out in 2015. Electricity is a really difficult issue for the province. In our research process, to come up with a set of recommendations on curbing the rising electricity costs, it was clear that there is no silver bullet solution.

Ms. Catherine Fife: No.

Mr. Scott Boutilier: There have been a number of decisions that have been made, whether you agree with them or not, that have contributed to the rising price. It is something that definitely remains a concern for us, and we have consistent communication with the Ministry of Energy on this file.

If I may, I just want to go back to your point on the ORPP for a second—

Ms. Catherine Fife: Can you just speak up a little bit, please?

Mr. Scott Boutilier: Sure.

Ms. Catherine Fife: Thank you.

Mr. Scott Boutilier: Do you mind if I respond to your comment on the ORPP for a second?

Ms. Catherine Fife: Fine. That would be great.

Mr. Scott Boutilier: The concerns you outlined are definitely consistent with what we've been hearing from the business community as well. The notification and verification process for plans hasn't begun yet. For many employers, the first wave of implementation is fast approaching, and a lot are worried that they won't have time to fully consider the implications of the ORPP for their business.

Ms. Catherine Fife: So they want information, right? They want to know what the terms of engagement are.

Mr. Scott Boutilier: Yes. Above all, they want information to understand where they fall into the implementation process.

Ms. Catherine Fife: And that's a reasonable request.

Mr. Scott Boutilier: Yes, and one of the things we're asking for in this submission is for wave 1—the start of contributions—to be delayed by one year, and use 2017 as an enrolment and verification year, to give the business community enough time.

Ms. Catherine Fife: The final thing I want to address—and this came up at the economic summit, which I always attend every year; I think it's an excellent opportunity for politicians to learn. You are actually asking for regulation. Something the chamber does not do on a regular basis is ask for more regulations. Clearly, with the sharing economy—it's not just emerging; it's here—you are asking for some guidelines, a framework.

1430

What response have you got back from the government? It seems that people are reluctant to weigh in on this, when there really are some serious issues at play, like consumer protection and safety. Do you want to weigh in on the sharing economy?

Mr. Scott Boutilier: Sure. You're exactly right on characterizing our position. We do want to see some sort of regulatory framework developed for the sharing economy in Ontario. We do think that we have an opportunity to be a leader within Canada on this file. I know that the government of Ontario has highlighted the sharing economy as a priority, and we've definitely been in conversations with them about how to develop a leading regulatory framework. But I think you're right.

Ms. Catherine Fife: There's some catching up to do.

Mr. Scott Boutilier: Yes, and the sharing economy is definitely not going away, so we do have to find a way to accommodate that.

Ms. Catherine Fife: No, it's here. There's no doubt about it.

Just on the electricity price: You said there's no silver bullet but there are some strategies that can mitigate the negative impact. We have the highest electricity prices in Canada—Ontario does. That impacts manufacturing. We have heard from various stakeholders across the province, especially northern and rural ones, who would like to see some relief from those high costs. The government has to address the high cost of electricity. They created this mess and they're going to have to deal with it at some point.

Mr. Scott Boutilier: One of the things we've been quite active on is trying to educate our members on the programs that already exist. We've had a partnership with the IESO that came out of our electricity report that's been helping our membership get access to that information.

Ms. Catherine Fife: That's good. It's a challenge; there's no doubt about it. We have these smart meters that don't work in northern or rural communities where there are rocks or trees, and yet we knew that there are going to be rocks and trees in the province of Ontario when we signed up for that plan.

There at least should be a strategy in place to lessen the burden on businesses and manufacturers across the province, because they're paying the price for some very poor energy policy. Thank you.

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you for your presentation.

Mr. Scott Boutilier: Thank you.

OPTRUST

The Vice-Chair (Mr. Peter Z. Milczyn): Our next witness is OPTrust. Good afternoon, sir. You have 10 minutes for your presentation followed by five minutes for questions, in your case from the government side. As you begin your presentation, please state your name for the record.

Mr. Hugh O'Reilly: My name is Hugh O'Reilly and I am the president and chief executive officer of OPTrust.

I'd like to thank you, Mr. Chair, and members of the committee for this opportunity to make a presentation today. I'm circulating a document that just outlines the highlights of our organization and explains it.

We are a jointly sponsored defined benefit plan with over 86,000 members and \$17.5 billion in assets. We are the fifth-largest public sector pension plan in Ontario. Our plan members are primarily front-line workers for the government of Ontario and its agencies, boards and commissions, and those who belong to the Ontario Public Service Employees Union. We are a fully funded plan, one of a select group of Canadian pension plans that can make that statement.

We also take serving our members as seriously as we do our funded status. I'm proud to report that we consistently receive high service satisfaction scores from our membership.

Our investment operations are global. We have offices in Toronto, London and Sydney. Our diversified portfolio also spans the globe with public market, private market infrastructure and real estate assets in North America, Europe, developed Asia, and emerging markets. Our investment activities are complemented by a sophisticated, responsible investing program that incorporates environmental, social and governance considerations into our investment activities.

A recent study by the Boston Consulting Group found that Canada's top 10 pension plans, of which OPTrust is one, are an important part of Canada's prosperity. Collectively, these plans manage over \$1.1 trillion in assets, which has tripled since 2003.

As large institutional investors with a long-time horizon, we have the ability to enhance the stability of capital markets. We are also a stable source of capital for infrastructure and real estate projects around the globe.

The Economist has called us "maple revolutionaries" and countries around the world look to the Canadian model to learn how to get pensions right. OPTrust is cost-effective, efficient and excellent at delivering retirement income security to thousands of Ontarians.

Today, I'm here to share my views on some pension-related matters. In particular, I will speak to the sustainability of pension plans in Ontario, the Ontario Retirement Pension Plan, and expanding the Canada Pension Plan.

The long-term sustainability of pension plans is a fundamental concern for OPTrust. As an industry, pensions are facing some of the most challenging conditions we have ever witnessed. Market volatility has become the new normal. Interest rates have remained low for a prolonged period, and all indications point to the coming years as ones in which investment returns will also be consistently low.

These investment conditions would be challenging enough on their own. The pension industry, however, also faces the demographic reality of an aging, longer-lived population, which, while fantastic for Ontarians, introduces new challenges for pension plans.

Many plans, including OPTrust, are becoming increasingly mature. The ratio of active contributing members to retirees is shrinking, and our retirees are living and collecting their pensions longer. The confluence of these factors means that it is becoming harder to achieve investment returns without taking on additional risks. Plans have a smaller pool of active members over which to spread the risk we take, and we must fund our plans to pay pensions for longer.

In this context, my organization has introduced a member-driven investment strategy which is designed to enhance the likelihood of pension certainty by balancing sustainability—otherwise referred to as generating necessary returns—with stability; that is, effectively managing investment risk. We call it member-driven investing because our strategy seeks to consistently align our activities and outcomes with the interests of our members.

For members, the true value of a defined benefit pension plan is certainty at a stage of life when there is little runway to accumulate more. Defined benefit members don't have to view their retirement income as an ever-dwindling resource that the member could outlive. Beyond the dollars that will one day be paid, we give members the confidence that they can count on their pension to be there when they retire and that their contributions and prospective benefits will remain as stable as possible during their working years.

We also look for ways to improve our ratio of active members to retirees to support long-term sustainability. As a plan that serves public sector workers, we believe in a healthy and vibrant public service. I encourage the Legislature to support and maximize opportunities for workers across the broader public sector to participate in a defined benefit pension plan like OPTrust.

I also believe that it makes sense for there to be greater consolidation of small pension plans that serve public sector organizations. This would allow those organizations to focus on their core operations rather than struggling with the complexities of a pension plan. At OPTrust, our core business is pensions.

Improving retirement income security for more people is one of the pressing issues of our time, and I'm pleased to see the significant progress that has been made on the Ontario Retirement Pension Plan. My organization has been a strong advocate for the ORPP from the start because we believe that everyone should be able to retire with security and dignity and that more Ontarians should have access to the advantages of a defined benefit pension.

We have seen the evidence and heard the numbers. Over three million Ontarians don't have the security of a workplace pension; many Ontarians struggle to save enough for retirement on their own; high-quality workplace pensions have eroded; and too many people are left to wonder if they will outlive what they have managed to put away for retirement.

The ORPP is good public policy because it addresses these issues head-on. The recently announced details of its design demonstrate the government's commitment to

the principles of sustainability, cost efficiency and retirement income security. However, on its own, the ORPP won't provide enough income to fund an individual's retirement, not does it intend to. What it will do is increase the amount of secure income that retired Ontarians have overall. In turn, this will help more Ontarians participate meaningfully in the economy in their retirement years.

Without question, the ORPP is a bold step, although I would offer that since Ontario is home to some of the world's leading pension plans, it's only appropriate that this province would continue to lead the way in retirement innovation. However, the reality is that breaking new ground is never easy. There are some who would prefer that nothing be done and that we instead kick the retirement can down the road, so to speak. It is always easy to find reasons not to act; but we would say, "If not now, when?"

1440

Even as the ORPP is still in the process of development, it has had a significant and, in our view, positive effect on the retirement income debate. The ORPP will also help to frame the debate going forward. The experiences and lessons learned by Ontario can serve as a model when the federal government considers expanding the Canada Pension Plan. I would submit that it is in the best tradition of Canadian federalism for a province to act as a social laboratory in which new ideas and programs can be tested. Other provinces can also learn from Ontario's experience as they tackle retirement income needs in the context of their own challenges and priorities.

In particular, the direction that the ORPP is taking seems to be to avoid a bricks-and-mortar solution. The ORPP Administration Corp. is working with the federal government as it seeks access to use the existing CPP administration system. This is the right approach. It is collaborative, it is cost-effective and it doesn't seek to reinvent the wheel when a proven and successful system already exists.

As the ORPP Administration Corp. looks at options to effectively invest the ORPP's assets, it should remain true, in our view, to these principles. Many of our leading pension plans are Ontario success stories. Toronto is often referred to as the Silicon Valley of the pension world. The sheer concentration of pension expertise in this province is a source of significant advantage to the government for projects like the ORPP.

Again, the wheel does not have to be reinvented, nor is a bricks-and-mortar solution necessary, for the investment of the ORPP's assets. What I am saying is this: Look to our industry, to Ontario's jointly sponsored pension plans, for the investment solution. I believe that public sector pension plans can and should be strong partners with government.

Against this backdrop, OPTrust is spearheading dialogue about pension investing, public policy challenges, and long-term sustainability.

The Vice-Chair (Mr. Peter Z. Milczyn): Could you please wrap up?

Mr. Hugh O'Reilly: I will. Just suffice it to say that we're hosting a conference this fall where we're having a global pension investment conference and where we can highlight Ontario's expertise as well as gather the pension world in Toronto to have a look at what we're doing.

I'm happy to answer any questions, Mr. Chair.

The Vice-Chair (Mr. Peter Z. Milczyn): Thank you, Mr. O'Reilly. Ms. Albanese has questions for you.

Mrs. Laura Albanese: Thank you for your presentation and for your comments in regard to how the government is moving forward towards a retirement income system that we hope to strengthen.

You spoke about how you think it will impact the average Ontarian. It would seem to me that you would like to be—how can I put this?—like a trusted partner, in a way, to look to when it comes to technical and policy advice on how to move forward.

You spoke about sustainability versus stability. You also suggested a greater consolidation of public pension plans. What would be the map for that? How would you see that unfolding?

Mr. Hugh O'Reilly: I think that the province has begun efforts to lead conversations about the consolidation of public sector pension plans in the broader public sector—for example, in the university sector. My view is that the province should perhaps take a more activist role and encourage these smaller plans to join one of the existing jointly sponsored plans.

The jointly sponsored plans are highly successful. They're great investors. They all run a really good pension administration system. They have great investment track records. That way, I think, smaller organizations which have these plans could then relieve themselves of the burden of administering these plans, with the satisfaction that their employees would be given the opportunity to participate in an excellent pension plan.

I also think that some look at the way in which we offer benefits—we'd like to engage constructively with both our OPSEU sponsor and the government sponsor around that.

Mrs. Laura Albanese: Okay. The presenter before you, the Ontario Chamber of Commerce, was advocating for a delay of one year in the implementation of the ORPP to give businesses more time to adjust. Do you think we're giving enough time, as the government, in the implementation, as it stands now?

Mr. Hugh O'Reilly: I guess I would come at it from a different direction. I think the implementation of a program of this size is going to be a challenge. When we look south of the border and we see the way in which the Affordable Care Act was implemented, even though billions of people got enrolled, the fact that a tiny percentage of those who were enrolled had difficulties became the story.

I think, based on our conversations back and forth with the people who have been charged with setting up the ORPP, that these are sensible people. They want to do the right thing. Also, with the recent change in federal

government—I mean, I'm not a political person at all, but I do know that prior to the change in government, the federal government wasn't willing to work with the province on allowing the province to use the existing CRA system. Based on publicly available statements, it looks like that conversation has begun.

But I think that the best approach would be to make sure that expectations are managed, that people understand what the system is, how it's going to work, and there's enough time to do it the right way. I appreciate that you will likely say I was somewhat evading your question, which I will confess to. Having said that, doing it the right way is important, but if there were to be a delay, I think it's critical that statements be made that this doesn't mean this is going to stop. This is a really important issue for Ontario and, indeed, the country.

Mrs. Laura Albanese: Well, thank you very much.

The Chair (Ms. Soo Wong): Thank you very much, Mr. O'Reilly, for being here.

Mr. Hugh O'Reilly: Thank you.

WINERY AND GROWER ALLIANCE OF ONTARIO

The Chair (Ms. Soo Wong): The next presenter before us is the Winery and Grower Alliance of Ontario: Mr. Patrick Gedge and—are they here? Okay. Good afternoon, sir. Welcome. I believe the Clerk has your written submission. As you probably heard, you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from the official opposition party.

You may begin anytime. When you begin, please identify yourself for the purposes of Hansard. Thank you.

Mr. Jim Clark: Sure. Good afternoon. My name is Jim Clark. I am the chair of the Winery and Grower Alliance of Ontario, as well as president of Colio Estate Wines. Accompanying me now is Patrick Gedge, who is the president and CEO of the Winery and Grower Alliance of Ontario.

Ms. Daiene Vernile: Do you have free samples?

Mr. Jim Clark: Not yet.

Laughter.

Mr. Patrick Gedge: You know, we wish.

Mr. Jim Clark: I thought of that. It would have been a good opening start.

The WGAO is the only trade association in the Ontario wine and grape industry that is composed of both wineries and independent growers. Our members produce 85% of all wine in Ontario and purchase over 85% of all grapes grown by independent farmers in this province. We operate the largest iconic tourism wineries in the province in Niagara, such as Inniskillin, Peller Estates, Jackson-Triggs, Trius Winery at Hillebrand, Château des Charmes and, of course, Colio Estate Wines down in southwestern Ontario.

Our members represent almost 90% of all imported and exported wines to over 80 countries around the world. The economic impact of our industry is \$3.3 bil-

lion and some 14,000 jobs. We create jobs and investment in the province—not in other countries, we like to say. On average, every bottle of Ontario wine sold generates almost \$40 of economic impact in the province.

Our value chain in economic impact is found in multiple sectors, which is very beneficial to Ontario and various wine-growing regions of the province. Our economic impact encompasses agriculture, manufacturing, tourism and retailing. Wineries attract over 1.9 million visitors a year, who in turn spend money on accommodation, restaurants and other local attractions.

The wine and grape industry has been acknowledged as a very complex and very unique business. This is an accurate characterization because our businesses are based on long-term capital investments by wineries and grape growers. It takes at least three years to grow grapes that can be turned into wine. The winery needs the manufacturing capacity to bring in the grapes over a two- or three-month period each year. It takes one to three years before a bottle of wine can be sold, at last generating revenue.

I'm going to actually look at the business. We're the only ag business you look at that produces, manufactures, ages, bottles, retails and markets product. Most other ag businesses are produced and sold off to second parties.

For wineries that purchase grapes from independent farmers, as our members do, you need the financial predictability and stability to commit to three- to five-year rolling contracts with the growers. It's these multiple-year contracts that are necessary for stability, needed for our grape growers and the entire value chain.

1450

Our business is dependent on climate and other variables which produce the size of grapes, and the grape crop will change dramatically year over year. The last couple of years, we've had the polar vortex and the Siberian express, as they say, certainly not conducive to growing grapes. In 2013, there was an 80,000-tonne crop; this year, it was 52,000 tonnes. The difference is about 54% and, obviously, you have quality and quantity issues by varietal, and they could be different from year to year.

We compete against imported wines from every country around the world. Ontario is one of the three biggest markets targeted by wine-producing regions globally. As a result, the price points are extremely competitive and quality needs to be paramount in all segments of our business. We look at market share in Ontario now and it's obviously a big challenge for our industry. The imports are fishing off our dock and they're eating our lunch, as well.

Our distribution channel network needs to respect international free trade agreements signed over the past 25 years, including the recently announced EU economic and trade agreement—CETA—and the proposed TPP agreement.

Profit margins are a big concern for the industry. They're small compared to other industries and to other alcohol beverage categories. We look at this business as being a low-margin business, based on taxation and other challenges that we have to deal with.

This industry, in one line, is not for the faint of heart and short-term investors. It's a long-term game. I think that our business is rooted here and we look to work with government and various stakeholders within the industry to be successful.

Patrick?

Mr. Patrick Gedge: Sure. Given all of the above complexities and variables, what does it mean? What it means is that, as an industry, we need to plan and make investments years ahead of making revenue. It means that financial stability and predictability for our business is paramount because of the high business risks involved. It means that the shock of any new taxes or changes will be felt throughout our entire value chain and affect future growth, jobs and investments.

The best and most sustainable source of increasing revenue to the government is through supporting the growth of the domestic wine and grape industry in Ontario, not in other countries. The driver of such growth is an increase in the sales of Ontario VQA wine, which makes up 25% of all Ontario wine sales volume, and international-Canadian blended wine—ICB—which makes up 75% of Ontario wine sales volume. Both of these categories of Ontario wine compete against imported wines: VQA against appellation wines over \$10, and ICB against imported value wines under \$10.

We also strongly recommend that the government leverage the LCBO to generate both provincial revenue and grow Ontario businesses, jobs and investments at the same time. Through this leveraging of the LCBO, there's absolutely no reason that we cannot grow the economic impact of our industry from \$3.3 billion to \$5 billion by 2020. Frankly, we doubt that there's a consumer or taxpayer in the province who would disagree with this sentiment and logic.

Our potential to grow the sales of Ontario wine is enormous. For example, the market share of Ontario wines sold through the LCBO is some 24%, and that includes both VQA and ICB wines. In British Columbia, the comparable number for BC wine sales through their liquor board is 43%, and in many other provinces in Canada the market share of the sale of domestic wine is higher in their liquor boards than that of the LCBO, even though we're home to the largest wine and grape industry in Canada. As Jim often says, the LCBO is our retailer of choice.

We recognize the government is also searching for additional revenue in the short term. As a result, we've identified a number of revenue opportunities to government, including the increase of minimum prices of wine through the LCBO and potential increases in across-the-board markups. We'd like to ensure that any such changes would impact domestic and imported wines in the same manner, so the competitiveness of Ontario wines in the marketplace is not negatively affected. If there were any new tax or markup increases just applied to the sale of Ontario wine, then the ultimate result would be reduced investments and grape purchases in Ontario.

We have also made a series of recommendations to the government which would streamline regulations and

provide Ontario wineries with more business flexibility to grow.

In conclusion, we have three very straightforward points to make, which we believe Ontarians and taxpayers would support. First, consider all propositions and ideas for the provincial budget through the lens of whether the economic contribution of the Ontario wine and grape industry and subsequent revenue to government will grow or shrink as a result. Secondly, leverage the LCBO's extensive store network to increase Ontario wine sales and market share, with a resulting positive economic impact on Ontario. Finally, ensure that any proposals for the provincial budget do not negatively affect the financial stability and future growth potential of the Ontario industry, thus making it less competitive against imported foreign wines.

Thanks very much for your time and consideration. We look forward to your leadership in creating more jobs and investments in the province through the Ontario wine and grape industry.

The Chair (Ms. Soo Wong): Thank you very much. I'm going to turn to the opposition to begin this round of questioning. Mr. Barrett.

Mr. Toby Barrett: Thank you to the alliance for coming forward.

Conclusion point 3, your last point, to ensure that any proposals in the provincial budget don't negatively impact you: What might be coming down the pipe? What are we worried about? Maybe you don't want to talk about it, but I'm trying to guess what this would be.

Mr. Patrick Gedge: No, I think in general we're recognizing that the Ontario government is going through review processes with respect to the LCBO and the alcohol system in Ontario. Frankly, we've been very involved in that and very pleased by the transparency of that process. We just want to make sure that as we go through that process, they recognize the economic impact of our industry and ensure that we continue to be as competitive as we are today as we go into the future.

Mr. Toby Barrett: And then one proactive proposal, leverage the LCBO—essentially more Ontario wine on the shelves, like we see more BC wine on the shelves in BC. How has that been going over the years? Are we losing or winning or—

Mr. Jim Clark: I would say we've been stagnant at best. I think the industry values the LCBO as our leading retailer of choice. I think there are other opportunities for promotion activities, regional promotions and various programs throughout the year. Right now, we have one program that is usually around Thanksgiving. The biggest selling periods for wine are really Easter and Christmas; Thanksgiving is good as well—but certainly more opportunities to promote at the biggest selling time, against the imports.

Mr. Toby Barrett: Beyond the LCBO, you mentioned international trade—the TPP, recently, and CETA. For example, OMAFRA: Do they have a department within the ministry, or staff overseas or in the United States, promoting product like wine, dealing with these kinds of trade issues?

Mr. Patrick Gedge: Sorry, the federal government?

Mr. Toby Barrett: No, I was thinking of OMAFRA, the Ontario ministry—

Mr. Patrick Gedge: OMAFRA, yes.

Mr. Toby Barrett: —or other Ontario ministries. What kind of presence do they have as far as helping with wine exports?

Mr. Patrick Gedge: Certainly the various ministries that are involved in our file—and the lead ministry is OMAFRA—are very sensitive to the industry and fully recognize its economic impact. I do know that through some various programs that we've developed through our marketing association, we're looking at increasing our exports over time.

At a federal level, we have a close connection through global affairs in terms of providing information and opportunities for profiling Ontario and Canadian wine in embassies and consulates throughout the world.

The Chair (Ms. Soo Wong): Ms. Munro?

Mrs. Julia Munro: Yes, thank you. I wanted to ask you, although it's not on your sheet, if there were concerns that you would want to raise with regard to land use policies. Obviously, you have to be able to have the appropriate kinds of tracts of land for growing grapes. I just wondered if there were issues there.

Mr. Patrick Gedge: Probably the biggest thing—when you look at the grape crop, over 90% of it is from the Niagara region. The implementation of the greenbelt a number of years ago—I know there's currently a review of it—is something that we're always very sensitive to.

1500

Having said that, we've been able, within the constraints of the greenbelt, to increase investments both in wineries in Niagara as well as more land in order to produce more grapes.

I would basically say that we highly respect what the objectives of the greenbelt have been, and I think most people would probably consider it quite successful. At the same time, we've still been able to grow our industry within that context, and I think that even reinforces the importance of the growth of our industry, because then we can respect the greenbelt, while at the same time, be able to provide the types of jobs and investments in an area that has those types of parameters.

Mrs. Julia Munro: Thank you.

The Chair (Ms. Soo Wong): Thank you.

Mr. Jim Clark: I'd say that's not an issue in southwestern Ontario, but certainly cognizant of Niagara.

The Chair (Ms. Soo Wong): Gentlemen, thank you very much for your presentation as well as your written submission. Have a good afternoon.

Mr. Jim Clark: Thank you.

WINE COUNCIL OF ONTARIO

The Chair (Ms. Soo Wong): The next presenter is the Wine Council of Ontario: Mr. Richard Linley. You're very timely, following each other.

Mr. Linley, you know you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from the third party. When you begin, please identify yourself for the purposes of Hansard. Thank you.

Mr. Richard Linley: Absolutely. I'm Richard Linley, the president of the Wine Council of Ontario. Let me begin by expressing my gratitude for the invitation to appear today as part of your committee's pre-budget consultations. I presented last year and I always welcome the opportunity to present to your committee, Madam Chair.

As some of you know, the WCO's role is to promote Ontario VQA wines and vintners, support the production of excellent local wines valued both at home and abroad, and build on the substantial economic benefits that the VQA wine industry brings to the province.

A quick overview of our membership: The WCO represents over 100 commercially active wineries across the province—about 90% of all Ontario wineries engaged in trade associations. My members are independently and locally owned SMEs. They are grape growers, manufacturers and leaders in tourism in their communities. My members are from all of the designated viticulture areas and growing regions of the province.

As Patrick alluded to in his presentation, Ontario's VQA wine industry is important, and my members represent a growing sector of Ontario's agri-food economy. In fact, we are a significant driver of the rural Ontario economy.

By the numbers, VQA wines and vintners in Ontario have grown from 66 in 2003 to more than 150 today, more than doubling in the past decade. Over 14,000 direct and indirect Ontario jobs are tied to the continued success of the Ontario wine industry. At a retail level, each bottle of Ontario VQA wine drives an economic impact to the province. Total retail value of VQA sales for the year ending March 31, 2015, was over \$400 million.

Given our widespread growth, the government has demonstrated time and time again that they believe in our sector and have a stake in our continued success. For that, we say thank you. Examples include the government's 2015 renewal of the Ontario Wine and Grape Strategy; the extension of VQA wine sales to farmers' markets; the AGCO's Regulatory Modernization in Ontario's Beverage Alcohol Industry consultations, which is helping to reduce the regulatory burden on Ontario wineries; as well as the Premier's Advisory Council on Government Assets, which is leading ongoing discussions on how to fundamentally transform our sector. All of these initiatives serve as important policy tools, programs and consultations to not only help meet the Premier's Agri-Food Challenge—to which we are fully committed—but also to continue our positive growth.

As part of today's presentation, I would like to highlight three specific budget priorities, but I will also preface them with a few initial comments.

First, let me begin by stating our members applaud all the changes that have been made in beer retailing by

Premier Kathleen Wynne and her government, and we appreciate the ongoing constructive dialogue with Ed Clark through the Premier's advisory council process.

As an industry, we want to continue to create jobs and grow the economy, and the council has shown great confidence in the economic growth potential of our sector. If the same craft beer reforms announced last year are mirrored for our industry, the benefits will be even greater for the economy, including more job creation and economic growth; more direct impact on Ontario farms, including increased production and acreage; and more investment and benefits across the wine manufacturing value chain, including local tourism. Simply put, growing our industry is not only good for local wineries; it's also good for government and it's good for consumers.

With more jobs and increased sales, there will be more tax revenues to support government priorities such as health care, education and infrastructure. With new retail options, wine consumers will have greater choice and convenience.

For this upcoming budget, the WCO and its membership have three priorities that do not require additional government investment but which we believe will provide the right climate for our industry to continue to grow, invest, compete and create jobs.

First priority: We ask that the government level the playing field in our industry and achieve greater market access for Ontario VQA wines through new retail channels, like you have done for the Ontario craft brewers. As you may know, there are existing stores in Ontario, but many of these were grandfathered back in the early 1990s, and the government has not permitted any further stores to be created. As a result, the rest of the industry is restricted to selling through the LCBO or at their wineries.

We have long advocated that there should be greater competition in the wine retail sector. Doing so would increase consumer choice while addressing the most significant unfairness issue in our industry. It would also lead to increased production of Ontario VQA wines by providing needed consumer access points for VQA wineries.

Ultimately, the change we seek is about fairness, about economic opportunity, about leveraging new investments, and, most importantly, about creating jobs while producing a local quality product.

Second priority: We ask that the government ensure that public investment in our industry is invested wisely and more effectively. We believe that the current support program for VQA wine sales would be more effective in leveraging investment and supporting growth if it were a permanent tax credit program.

Only in Ontario are domestic wine producers asked to compete under the same markup structure as imports, a challenge exacerbated by the fact that there is a monopoly on retailing in the province. The precedent for a tax credit already exists and it would be best accomplished with tax changes similar to those for the Ontario craft brewers. The Taxation Act, 2007, included a refundable

corporate tax credit for small beer manufacturers. Manufacturers qualify if they meet certain criteria, including limits on production. This type of tax structure would better support economic growth and job creation in our sector, particularly for small and medium-sized wineries. It would provide timely relief and, unlike the VQA support program, new entrants would not reduce the relief to current market participants. The tax change would also allow the shedding of an industry support program in favour of a tax credit designed to harness productivity and focus on competitiveness.

Third priority: We ask that the government permit third-party warehousing and distribution, which will benefit Ontario wineries by cutting costs and streamlining their business practices. VQA wineries need to deliver their products efficiently and directly to retail access points and licensees. The ability to service these channels currently is extremely inefficient, requiring many small shipments from the winery directly to the destinations. More conventional logistics would use remote warehousing near major urban centres such as Toronto, Ottawa, Windsor or London, in conjunction with local delivery solutions. This would eliminate the need for as many as 100 or more individual winery delivery trucks, thereby reducing carbon emissions and traffic congestion in major urban areas while improving customer service and product availability. By pooling their products with other VQA wineries in third-party locations throughout the province, VQA wineries would be able to achieve greater market access for lower costs.

With these changes, we forecast as much as a 20% to 25% increase in VQA sales to the licensee channel over the next several years as a result of freer and more efficient access to market.

We also ask that this opportunity be applied to new retail opportunities—and grow the recent farmers' market initiative, which was spearheaded by the Premier.

I will close now, but I want to emphasize that our industry will continue to grow if the government gives Ontarians the chance to support their local wine industry in an expanded and modernized retail and distribution landscape. We believe that our budget priorities complement this objective and, if fully implemented, would unlock the Ontario VQA wine industry's true growth potential, allowing us to reinvest and quickly increase our direct and indirect jobs in the province.

I want to thank you again for the opportunity to appear. I look forward to any questions you may have.

The Chair (Ms. Soo Wong): All right. Thank you very much. I'm going to turn to Ms. Fife to begin this round of questioning.

Ms. Catherine Fife: Thank you very much, Mr. Linley, for coming in and sharing some of your priorities for this upcoming budget.

I'd like to hear more about the tax credit. Have you raised this issue in prior submissions to the Ministry of Finance? Because you're really looking for parity, based on the 2007 credit as well. Can you speak a little bit more about that, please?

Mr. Richard Linley: It's a discussion we've had at the government/industry steering committee, with the chair and the ADMs. But it's a conversation we started last year as part of the budget process, and something that we continue to carry forward.

Last year, the government did renew, in terms of Treasury Board approval, the Ontario Wine and Grape Strategy for the next five years, which is fantastic. But it's a conversation that continues, and we'll need to get further alignment with other stakeholders in the industry.

1510

Ms. Catherine Fife: You did mention, though, that there's precedent. In 2007, this tax credit was extended to craft brewers. Is that—

Mr. Richard Linley: That's correct. I've spoken to the head of the craft brewers' association, John Hay. I do know that it came into effect a couple of years after the organization was created. It was something that they had advocated for as an industry. It's something we've taken great interest in, in terms of creating a more permanent program, which gives our members more certainty as they look to invest in their businesses over the long term.

Ms. Catherine Fife: And that would level the playing field somewhat between craft brewers and VQAO?

Mr. Richard Linley: You can argue that; yes, absolutely. If you look at craft brewers now, as much as we applaud their success, they're also our competition now. Given the type of formats that craft beer is now sold in, you can find wine bottles that carry craft beer now and are served with meals. Our view is: Yes, they're our competition, but the idea behind this policy objective is to just have more permanent programming that'll give more certainty to individual businesses.

Ms. Catherine Fife: And the third-party warehousing: This is a regulatory change that you're looking for?

Mr. Richard Linley: That's right. Currently, in the province, Ontario wineries are allowed to have overflow warehouses where they can store product or inventory that they can ship to the LCBO. What they can't do from their warehouses is ship directly to licensees: hotels, bars and restaurants. We've asked for similar changes to be made for this upcoming budget, like they did for the craft brewers.

Ms. Catherine Fife: Okay. And you went through some of the benefits of that.

Mr. Richard Linley: Yes, exactly.

Ms. Catherine Fife: The farmers' markets: Ontario wines in farmers' markets have been well received, I think. What are your impressions? You're looking for an expansion of volume at farmers' markets, or—

Mr. Richard Linley: We're just saying that currently, with the farmers' market initiative, there are probably two limitations that have been hang-ups for the industry. One is the fact that you can't warehouse, meaning that you can't store product in downtown Toronto if you're bringing wine to the St. Lawrence Market. The government has listened to us on that issue and is taking it under consideration. We'd at least like to be able to store product close to market for the farmers' market initiative

as opposed to having to return the product to the winery at the end of the day.

Ms. Catherine Fife: That makes sense, doesn't it?

Mr. Richard Linley: Yes.

Ms. Catherine Fife: It's interesting times. I don't think I've ever heard a Premier talk so much about beer or wine or marijuana in the history of the province. The recommendations that you've brought forward—certainly we will be looking for them in the upcoming budget as well. Thank you very much for being here.

Mr. Richard Linley: Yes. Thank you.

The Chair (Ms. Soo Wong): Thank you very much, Mr. Linley. Before you go, you have until tomorrow afternoon at 5 p.m. if you would like to do a written submission to the committee, because I noticed there's no—

Mr. Richard Linley: Absolutely. I'll be pressing "send" in the morning. Thank you very much.

INSURANCE BUREAU OF CANADA

The Chair (Ms. Soo Wong): The next presenter coming before us is the Insurance Bureau of Canada. Just for the purposes of the committee, the Clerk informed me that there are three presenters: Ryan Stein, the director of policy; Barb Taylor, director of policy; and Kim Donaldson, vice-president, Ontario. Ms. Donaldson, welcome.

Ms. Kim Donaldson: Hi. It's nice to be here today.

The Chair (Ms. Soo Wong): The Clerk is coming around with your written submission; I just wanted to let you know. You have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from the government side. When you begin, can you please identify yourself for the purposes of Hansard?

Ms. Kim Donaldson: Sure. Good afternoon. My name is Kim Donaldson. I'm here on behalf of the Insurance Bureau of Canada. I know you are receiving your packages now, but I'm going to confine my remarks to three distinct topics. We're happy to answer questions on anything that is of interest to you. My colleagues here are major content experts and would be more than happy to be involved.

We're going to start with some remarks on the FSCO review. We'd like to comment on this and the invitation to participate in the review of the Financial Services Commission of Ontario—FSCO. Our industry is very supportive of the expert panel's preliminary position paper and the bold recommendations that are being proposed.

The panel recommends the creation of a modern financial services regulator with a flexible and transparent approach to regulation, which is in marked contrast to the system we have today—one that is more independent and nimble and able to respond to continuous advances in technology and changing consumer profiles.

We believe that if the government achieves the panel's vision, it would position Ontario as a leading-edge juris-

diction for financial services regulation in Canada and perhaps even the world.

Our SVP of strategic initiatives, David McGown, presented directly to Minister Sousa. I'm going to paraphrase, but he said that we have a world-class financial regulator in Ontario. He paused and then said that it's in Ottawa—as in, it's OSFI. I would like to echo that sentiment here today.

We believe that the government needs to commit to the initiative of the fiscal review, and we believe that it needs to commit in this particular budget. The final review was due at the beginning of January. The panel was given an extension until the end of January. We're here on February 1 and I haven't seen it yet, and we're really looking forward to the publication of this document in advance of implementation. But, most strongly, we urge the government to plant a firm position in the budget that bigger and better things are going to come. That's number one.

Secondly, we'd like to address rate regulation. If FSCO is bad, the particular subset of regulations—the regulatory process—is one of the most costly and onerous systems in the industrialized nations. Insurers cannot even lower premiums without regulatory approval, and this seems like madness. We ask that the government commit to a complete review of the rate regulation system. This longer-term review can be done in conjunction with the review of FSCO, or independently.

There are shorter-term reforms that can be done to improve rate regulation. Overall, the system needs to be designed to benefit consumers—and that's not the situation as it currently exists—and it needs to be designed to encourage competition and innovation so that insurers can deliver the best products and prices to their consumers.

Currently, the process can take months for insurers to prepare and months for FSCO to review. This is a considerable cost and resource for both parties, and by the time the insurer gets approval to bring a new rate to market, it may be out of date. I ask us only to think about the price of oil 18 months ago. So if that's the regulatory system to get a change to insurance, it does speak to market conditions.

The process takes even more time when companies want to introduce new technologies such as user-based insurance. The expert panel that reviewed FSCO's mandate noted that the rate regulation approach in Ontario has become obsolete, and continuing this approach with a new regulator would undermine the new regulator's effectiveness and strain its resources. We have submitted with our package a list of changes that we feel could be made well in advance of a new regulator and wouldn't tie their hands.

On the third point that we'd like to discuss today, we'd like to talk about climate change. I would just like to start with paraphrasing Premier Notley, who recognized the leadership of the government in Ontario on this particular file. It seems, I think, that everyone is conscious of the change in weather patterns globally; I don't

think I have to convince anybody of that here today. Those changes bring a marked burden to the province and municipal governments.

Canada needs a functioning market for flood insurance. Some insurers have already started to offer that particular product. Nationally, if we think about this—and Ontario is part of this picture—weather events that used to happen every 40 years are now happening every six years in some regions. As a 25-year window, from 1983 and 2008, insured losses nationally from natural catastrophes averaged almost \$390 million—that's a 25-year window at \$390 million nationally. Since then, insured losses have tended to hover around \$1 billion annually, and 2013 was a banner year—in a bad way—when it reached \$3.6 billion, largely because of summer floods in the GTA and in southern Alberta, and the ice storm that hit eastern and Atlantic Canada. That brought us to \$3.6 billion.

Help is needed. The municipalities need it and the province needs to figure out how it's going to deal with it. Weather events involving intense rainfall and wind have been particularly damaging in recent years.

I'm going to have to read this bit, specifically: With most weather projections showing weather getting even more severe, we believe that it's important for the 2016 budget that the government continue to invest in infrastructure and allocate sufficient resources to upgrade the sewer and stormwater systems so that it can withstand the pressure of all this extra water. Government should also support the creation of a national flood insurance program, and this is something that IBC is discussing and addressing with the federal government at the moment. We're looking for support provincially for that initiative. This is an area where insurers and government need to work together to provide Canadians, specifically Ontarians, with the insurance coverage they need.

I would say that concludes my formal remarks. I'm happy to entertain any questions.

1520

The Chair (Ms. Soo Wong): Okay. I'm going to turn to Ms. Albanese to begin this round of questioning.

Mrs. Laura Albanese: Thank you for being here this afternoon and for your presentation.

I know you know everything about the government's auto insurance rate reduction strategy and how we've been trying to bring it down to 15%. We're now, I believe, at an average of—

Ms. Kim Donaldson: Yes, 7%-ish.

Mrs. Laura Albanese: —7%-something. What could we do as a government right now to continue to bring down those rates? You have illustrated some of the things that you would like to see, but maybe you could elaborate on that?

Ms. Barb Taylor: I would start by saying we totally agree it's about 7% right now. The government introduced a number of reforms last fall. Those reforms will come into place on June 1. Companies have filed in the fall. Those filings are still in the process of being worked on by FSCO, another example of why it takes a long time

to actually process. I'm not trying to say that it's the people involved; it's just the process that they have to go through to get these reforms.

Those reforms will probably be done in the next few months, because the insurers will need to have them in place at least 60 days in advance of June 1. Again, I anticipate we'll be seeing those adjustments from the next set of reforms.

What else can the government do? They can continue to work with the industry. As Kim mentioned, there are things that can be done immediately on the rate regulation that don't require any changes to regulation or to legislation. Those things can help insurers. It will give them the incentive to file for even further reductions. Then there are other things that can be done, as well. We're certainly happy to work with the government on those.

Mrs. Laura Albanese: I was particularly interested in what you were saying in your presentation in regard to climate change and flood insurance, specifically because the area that I represent, the riding of York South-Weston, was an area that was hard-hit by flooding just a couple of years ago, and also back in the day, Hurricane Hazel was really felt and had the worst damage—

Ms. Kim Donaldson: Yes, it went right through.

Mrs. Laura Albanese: So it is still very susceptible to this type of damage. I see you want the support of the government in the creation of a national flood insurance program. You encourage us to continue to invest in infrastructure, which we are doing.

From a consumer point of view, what can one do to protect oneself at the moment? I know that some of my residents say they can't even get insured.

Mr. Ryan Stein: There are little things that consumers can do. The best suggestion is for them to call their insurance broker, their insurance company and just ask. There are certain things like installing some pumps and backwater valves that can help prevent water from coming up through the basement. There are other changes you can do to the landscape around the home that can make them less susceptible to flood.

Sometimes, the best way is to protect yourself from it. Insurance companies are coming out—there are a few on the market right now—with different types of water damage and flood coverage. That can be an option to help prevent against the loss, if that loss happens, to help give financial protection.

Mrs. Laura Albanese: On another topic, I know that the Insurance Bureau of Canada has been supportive of MPP Hudak's private member's bill on the sharing economy. As you know, the government has appointed a council of experts that is looking at the issue. I just wanted to have some input on the sharing economy from your perspective.

Mr. Ryan Stein: We focus most of our efforts on the transportation network companies, so the driving perspective. The standard auto insurance policy was just not meant to cover people using their personal vehicle to carry paying passengers, so there is an insurance gap.

We've put forward a legislative proposal; we've worked with our insurance companies on it. We think this is the best way to eliminate the gap. What it really does is it defines what's covered in the standard policy and what's not covered in the standard policy. It puts insurance requirements on these types of vehicles and has mechanisms in place to make sure that they buy insurance, but overall, we think it creates an environment for insurance companies to come out with insurance products that are tailored to the needs of these drivers and vehicle owners.

Ms. Kim Donaldson: We've already seen a couple of insurers stepping forward with new products for the ride-sharing type of venue.

Mrs. Laura Albanese: Okay. Thank you.

The Chair (Ms. Soo Wong): I'm going to stop you here. Thank you very much for your presentation and your written submission.

ONTARIO NURSES' ASSOCIATION

The Chair (Ms. Soo Wong): The next group before us is the Ontario Nurses' Association: Beverly Mathers and Lawrence Walter. The Clerk is coming around with the written submission.

Good afternoon. Welcome. As you probably heard, you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questions will be coming from the official opposition party.

You may begin anytime. When you begin, can you please identify yourself for the purposes of Hansard?

Ms. Beverly Mathers: Thank you very much. Good afternoon. I'm Beverly Mathers. I'm a registered nurse and manager of negotiations at the Ontario Nurses' Association, or ONA, as I'll refer to us throughout the presentation.

With me today is Lawrence Walter, ONA's government relations officer. We also have some ONA RNs behind us.

ONA is Canada's largest nursing union, representing 60,000 registered nurses and allied health professionals, as well as more than 14,000 nursing student affiliates who provide quality patient care each and every day across the health care sector. ONA believes that a strong public health care system is essential for Ontario's economic well-being. Quality health care is also a precursor for a healthy Ontario. RNs provide a continuous presence at the patient's bedside, and those same RNs play a major role in healthy outcomes for patients.

That invaluable skill set of RNs has not been adequately recognized and utilized to achieve our common vision of quality patient care in Ontario. Instead, funding models are driving decisions to eliminate and erode RN positions. These decisions are based on balancing budgets, not at all based on the clinical needs of our patients. The government's calculation of risk fails to consider that every elimination of an RN position is the equivalent loss of 2,000 hours of annual RN care for our patients.

In Ontario, the ratio of RNs to the population is the second lowest in all of Canada. Ontario has only 714 RNs per 100,000 people compared to 836 RNs for 100,000 people in the rest of Canada. This difference creates a significant gap in RN care for Ontario patients. In fact, it means we need a funded plan of action to hire more than 16,500 registered nurses in Ontario just to keep up with the rest of the country.

This afternoon, I want to focus my remarks on the dire need in this budget to fund more RNs in our hospitals, community sector and in our long-term-care homes. Our hospitals are struggling to keep up with the cost inflation and population growth in the context of four consecutive years of frozen base operating funding. In response, hospitals are adopting short-sighted and risky measures, including the elimination of RN positions, not replacing RN positions when they become vacant and substituting RN positions with less-qualified staff.

There is extensive and compelling literature on the relationship between higher RN staffing levels in hospitals and improved patient outcomes. Conversely, decreasing RN staffing has a negative impact on patient health outcomes. This growing body of evidence clearly shows that patient care is most safely delivered when there are enough RN hours of care. Any costs associated with RN care must be balanced against the cost savings of preventing adverse patient events and complications. How is it that study after study demonstrates cost savings and improved health care outcomes with RN care, while Ontario continues to eliminate the very RN positions that benefit the health of Ontarians?

RN care in Ontario hospitals is being seriously eroded. In 2015, we lost 775 RN positions. Since January 1, 2012, more than 2,500 RN positions have been deleted, which means that nearly five million hours of RN care have been eliminated from our communities during this period of time, completely ignoring the evidence linking RN care to improved patient outcomes and cost savings to our health care system.

1530

Hospitals are reporting deficits and hospitals are citing the funding model as a reason. The funding gap to balance hospital budgets will continue to worsen in 2016-17 unless immediate steps are taken to restore base operating funding.

The Ontario Hospital Association is now speaking out after four years without a funding increase. Hospitals are at a critical turning point, stating it's time for the government to increase hospital funding in the upcoming budget.

ONA agrees. Already, this year alone, we have had in one month more than 300 positions to be eliminated announced in our hospitals. Two recent examples show that hospitals are making wrong decisions, based on the research evidence linking RN care to improved patient outcomes and cost savings.

For instance, Windsor Regional Hospital has announced a \$200-million deficit and has responded with a significant elimination of 800 positions, being replaced

by non-RN positions. In total, 169 RN positions will be eliminated.

In the Waterloo-Wellington region, Grand River Hospital in Kitchener has also announced a \$10-million deficit and plans to eliminate at least 38 RN positions. Both hospitals cite a funding model that is insufficient to cover the costs of providing skilled RN care.

ONA challenges the government to no longer remain silent on the continuous deletion of RN positions.

More hospitals are announcing the elimination of RN positions each week: 28 positions eliminated at Northumberland Hills Hospital in Cobourg; 17 RN positions at Bluewater Health in Sarnia; eight positions at St. Thomas Elgin; today, announcements at Mount Sinai and the University Health Network.

Now is the time to restore hospital base operating funding. Along with increasing base funding for hospitals, ONA is calling for an immediate moratorium on further cuts to invaluable, cost-effective RN care.

Third, we are calling for funding and development of a multi-year RN human resource plan for implementation and tracking by local health integration networks, targeted to reduce the significant gap in RN-to-population ratios between Ontario and the rest of Canada. Additionally, we are asking that this nursing human resources plan be incorporated into the government's Patients First: Action Plan for Health Care in Ontario.

Fourth, we are calling for the government to move towards a fully integrated public home care system that integrates both the delivery of home care services as well as care coordination. This will eliminate the duplication of management contracts and will provide cost savings from the elimination of profit from our home care system.

Fifth, we are calling for the funding and enforcement of a staffing standard to meet the increased care requirements of our residents in long-term-care homes. ONA is calling on the government to implement a funded, regulated minimum staffing standard of an average of four worked hours of nursing and personal care per resident day, including 0.78 RN hours per resident per day, which will address the increasing resident acuity, resident-to-resident homicide and violence, and RN staffing recommendations for quality care that are contained in research literature.

Finally, ONA is calling on the government to fund a health care action plan for workplace violence prevention that mandates key standards in hospitals and LHINs, and LHINs and government accountability agreements.

These standards must be mandated to include RN safe staffing levels; appropriate security funding; use of best practices for training; accessible panic alarms linked to security; and electronic and visual alert systems for flagging potentially violent patients.

Nurses know that the evidence for RN care is compelling for improved patient outcomes and system costs overall. ONA and our nurses know that additional funding will be necessary to ensure quality patient care. The government must take action now and show leadership to fund the RN care that our patients need and deserve.

The government must break the silence. Our patients' health depends on it. Thank you.

The Chair (Ms. Soo Wong): Perfect timing. I'm going to turn to the opposition party. Mrs. Munro, you're going to begin this round of questioning?

Mrs. Julia Munro: Thank you very much. I appreciate the underlying theme of your message in terms of how critical the information is, and the things that you're dealing with. I think, as a general comment, I would simply say that it serves to give further meaning to the crisis that we recognize is in health care.

In the document that you provided, on page 9, the diagram there is "When RN Workloads Rise, Ontario Patients Suffer." In this, you talk about the increase in complications. You mentioned the return to the hospital because of those kinds of things. The next one is the 7% increase in mortality. Were there inquests? Do we have numbers? Is there any way to put that into a specific context?

Ms. Beverly Mathers: I do not believe there have been any recent coroners' inquests into deaths in hospital or in recent patient discharge. This study that we cite, by Linda Aiken, was actually a study that looked at some Canadian evidence and some Ontario evidence as well as worldwide. The determination showed that patient care suffered as RN workloads increased, and that in fact patient mortality increased by 7% for every one patient added to a nurse's workload over seven patients, on average.

Mrs. Julia Munro: Right.

Mr. Toby Barrett: Just further to that, then: How many caseloads are there in Ontario that are over by one extra patient or over by two? And then, by extension, how many dead are there in Ontario?

Ms. Beverly Mathers: I can't speak to the death rate because, to my knowledge, we don't have those statistics, and I would suggest to you the statistics that are out there are probably incomplete. But our nurses report to us daily that their workloads increase.

As you can see, these workloads are where there are significant RN layoffs. That means our nurses are experiencing more patients assigned to them on a daily basis. We hear our nurses tell us that on an in-patient surgical unit, they could have anywhere from eight to 10 patients assigned to them—more on the evening shift, when they're immediately in their post-operative period, and more assigned on the night shift.

Mrs. Julia Munro: Does the hospital have any flexibility in this in terms of when they make the decisions? I presume they make the decisions to reduce staff. Do they have any funding flexibility?

Ms. Beverly Mathers: The hospitals have the ability to make decisions around the skill mix they keep in hospital. I think the struggle with it is, yes, in fact, they do have flexibility. I think the challenge at the moment is that after the operating budgets have been fixed for as long as they have, the flexibility is being more and more limited as other factors around them rise, like the cost of hydro, replacement of equipment and those kinds of

things. I think that the decision-making is becoming harder.

1540

Ms. Julia Munro: I appreciate the comments. Is there anything else you wanted to add?

Mr. Toby Barrett: Maybe just further to flexibility: I understand that funding for hospitals has gone from a global budget approach to an activity-based approach. Does that mean less flexibility for a hospital administrator or a nursing supervisor?

Mr. Lawrence Walter: Yes. It depends on the actual funding, but when funding is part of procedure-based funding, then there is less flexibility because the funding is for specific procedures. Global funding generally leaves more flexibility than funding for a specific purpose like surgeries, hips and knees, that sort of procedure.

Mr. Toby Barrett: Where essentially there's no global funding—

Mr. Lawrence Walter: No, there is still about a 30% component of global funding.

Mr. Toby Barrett: Thirty per cent? Okay.

Of 60,000 members, how many members work in hospitals?

Ms. Beverly Mathers: About 50,000 work in the hospital sector.

Mr. Toby Barrett: Some 50,000 nurses?

Ms. Beverly Mathers: In that range: 40,000 to 50,000.

The Chair (Ms. Soo Wong): I'm going to stop here. Thank you for your time and your written submission. Thank you.

Ms. Beverly Mathers: Thank you.

ONTARIO HOSPITAL ASSOCIATION

The Chair (Ms. Soo Wong): The next group before the committee is the Ontario Hospital Association: Mr. Anthony Dale and Mr. Pierre Noel. I believe that the Clerk has a written submission for the committee.

Good afternoon, gentlemen. As you probably heard, you have 10 minutes for your presentation, followed by five minutes of questioning, and this round of questioning will be coming from the third party. You may begin at any time. When you begin, can you please identify yourselves for the purpose of Hansard? Welcome.

Mr. Pierre Noel: Thank you very much. Good afternoon. My name is Pierre Noel and I'm the chair of the board of the Ontario Hospital Association and president and CEO of the Pembroke Regional Hospital. I'm joined today by Anthony Dale, president and CEO of the Ontario Hospital Association.

I'd like to thank you for this opportunity to present on behalf of the OHA. The association represents the province's 147 hospitals. The mission of the OHA is to create a high-performing health care system to better serve patients and clients.

As you know, health system restructuring is currently under way in Ontario and this will have significant

impact on the delivery of health care in our province. In late December, the government released a white paper which included several proposals for better integrating the health care system. The aim of government is greater integration of services and improved responsiveness to local needs. Ontario hospitals will play a critical role during this restructuring and we look forward to providing constructive ideas which are always focused on patient and client need.

The government's move towards new models of care in Ontario has great potential for the province, but we know that structural change is not enough on its own. We also need to unlock the integration and quality improvements which are available via funding and payment systems. In the last year, the OHA has been working very closely with the Ministry of Health and Long-Term Care in an effort to take stock of where we are and where we need to go with health system funding reform, or as we call it, HSFR.

Strengthening HSFR is a core priority for the OHA. Since its inception, funding reform has spurred changes across Ontario hospitals. Significant increases in patient volumes and improvements in quality have been achieved. However, after four years, now is the natural time to step back and reflect on the progress to date.

Ontario hospitals appreciate and commend the senior staff in the ministry for their collaborative approach to reviewing HSFR. The OHA, the ministry and the LHINs have been working together since last summer and have established a joint work plan to strengthen and improve the design and implementation of this new funding methodology and, ultimately, working towards improving the sector's short- to medium-term funding and financial needs.

There is much long-term potential in a more collaborative approach to HSFR. But after four years without any funding increases for inflation, hospitals are now facing some very challenging budget decisions to contain costs and meet the ever-increasing service needs of patients. Despite strong progress in improving efficiency, Ontario hospitals are now facing very significant financial uncertainty.

Now I'd like to turn things over to Anthony Dale, president and CEO of the OHA, to elaborate further.

Mr. Anthony Dale: Thank you, Pierre, and thank you to the committee for having us here today.

As Pierre mentioned, Ontario hospitals are now into uncharted territory. Hospitals in Ontario are already highly efficient. Over the past four years, hospitals have shown tremendous leadership in making their operations even more cost-effective. Per capita funding for hospitals is the second-lowest in the country, generating some \$4.5 billion in savings, allowing the government to spend on other important health care priorities. We're very proud of this accomplishment.

Occupancy in hospitals is also very high. Ontario has the fewest beds per capita in the country. Yet approximately 22 million visits were made to Ontario hospitals last year for surgery, access to emergency care and

clinic-based services. Average length of stay is the lowest of all the provinces.

These and other metrics like them are things that we should be quite proud of. Hospitals have absorbed significant additional costs, particularly those that are compensation-related, while growing patient volumes each and every year.

Despite four years without an inflationary increase, wait times have held up reasonably well against expected benchmarks. So, naturally, health system leaders are now asking the question: In the face of deeper austerity, how much longer can hospitals sustain these results?

Ontario hospitals have been relentless in their efforts to further improve performance. Compensation costs account for approximately 70% of hospital budgets. Since 2012, compensation costs arising from collective agreements have grown by more than \$350 million alone.

At the same time, hospitals have absorbed non-labour expenses, such as energy costs and implementation costs associated with new regulatory and reporting obligations. While these initiatives are valuable and important, they too add to the financial pressure.

This year, an increasing number of hospitals have needed to make difficult decisions to balance their budgets. The evidence suggests that the risks are even higher that a larger number of organizations will only be able to balance their budgets next year, in 2016-17, with significant workforce and service adjustments.

With time, as Pierre said, health system restructuring has the potential to improve access to primary care and home and community care. This could ease pressure on hospitals. However, as restructuring takes place over the next 24 months, there is also the risk of some instability as the transition takes place within the health care system. This could have an impact on our sector.

At the OHA, we know that increased funding is needed for home and community services. Building capacity in this sector is absolutely essential to meet patient and client needs into the future. In last year's budget, the government increased funding for home and community care and long-term care, and announced the provincial capacity plan. We welcome these investments and continue to work in partnership with government in these sectors moving forward.

At the same time, this year hospitals do recommend transitional funding for operating cost pressures for hospitals, so that access to services can be maintained. An inflationary funding increase for hospitals in the 2016 budget will help keep wait times low, maintain access to elective surgery and ensure that important health service programs are maintained. An investment in hospital operating costs will help to ensure stability within Ontario's health care system during this important restructuring period.

Thank you for your time. We look forward to answering any questions about our recommendations today.

The Chair (Ms. Soo Wong): I'm going to turn to Ms. Fife to begin this round of questioning.

Ms. Catherine Fife: Thank you very much for the presentation. I have to tell you that this is my third year

of travelling around the province with this committee. The dominant theme has been hospital funding and, of course, potentially moving into the fifth year of a freeze. I hope that you will confirm that a freeze is actually a cut, because of inflationary pressures; that's why we've seen a reduction in front-line staff across the province.

1550

The health care funding reform: That's what I'd like to focus on. When we were in Windsor, the CEO of the Windsor Regional Hospital referenced the funding formula as it stands right now. Because population drives funding around those hospitals—he was very clear—he said that the model is not responsive to patient needs because, regardless of population, there are different needs across the province. Do you want to quickly comment on that?

Mr. Anthony Dale: The OHA continues to be very supportive of Health System Funding Reform because it does have considerable opportunity to help the system work even better, particularly in the area of quality improvement. With funding reform, there are three baskets of dollars available. There is global funding, which is the general pot; there is something called the HBAM pot, which is really a way of allocating based on a variety of factors, which does include population; and then quality-based procedures, where there's a rate-times-volume approach.

After three years of experience now with HSFR, we're delighted to say that we've entered into an even more constructive relationship with the ministry, and we're taking the opportunity to step back and evaluate HSFR. We have a lot of confidence in our ability to continue to make the technical changes and the refinements needed to make the formula quite responsive to patient and client need.

Ms. Catherine Fife: I'm delighted that you're delighted that you have a good relationship with the Ministry of Health, but I have to tell you, the people that we've heard from across this province are not delighted at all. In fact, they're quite concerned about the reduction in services that they're seeing in hospitals. I'm completely being cognizant of the fact that hospitals have been coping with these cuts for now going on four years.

The hydro bill that the Windsor Regional Hospital—you mentioned energy costs, because this factors in. They saw a \$700,000 increase in their hydro bill from 2014 to 2015. That's one of the funding pressures that hospitals have been dealing with.

Mr. Anthony Dale: Yes, and I think that's what we're here to tell you: that the hospital sector has been resilient. If you look at the performance metrics across the board, we have maintained wait times at a reasonable and appropriate level. We have continued to see volume increases year over year, and the sector has been able to absorb it and do better with the resources it has. What we're saying now is that we probably are at a turning point where more difficult decisions are likely to be made.

Continuing to refine and correct the technical elements of funding reform does have great potential—it will help

us make the system more responsive—but we do feel that an inflationary increase now will help ensure continued access and those levels of care into the future.

Ms. Catherine Fife: So you're obviously advocating to stop the freeze, but you'd like to see the model adapted to actually address patient needs in hospitals right now, and that's through the HBAM, is that right?

Mr. Anthony Dale: That's right.

Ms. Catherine Fife: Okay, good. We hope to see that as well.

The minister put out that white paper that you referenced. What we've heard around the province is that, of course, everything lands in hospitals. If you don't have a hospice or a palliative strategy and you don't have a long-term-care strategy—there's a two-year or three-year wait—and there's a 200-day wait for home care, based on the Auditor General—so everything lands on hospitals, right?

Mr. Anthony Dale: That's right.

Ms. Catherine Fife: So that crisis is now in our hospital system. The ministry is contemplating changing CCACs as a model, but if they transfer all of that bureaucracy and administration and profit—because one dollar out of every 10 goes to profit in health care in the province of Ontario, which is shameful—and they just transfer it over to the LHINs, would you regard that as wholesale reform?

Mr. Pierre Noel: Well, I think the white—

Ms. Catherine Fife: That's rhetorical; the answer is no.

Mr. Pierre Noel: Thanks for the answer.

The Chair (Ms. Soo Wong): Ms. Fife, let the witness answer.

Ms. Catherine Fife: I know, I know.

Mr. Pierre Noel: The white paper has some very important elements within it. That's one element. Structural changes to home and community care, the better engagement of primary care, and increased investments in home and community care all have great promise for the system. We as a hospital system have been advocating for years that that's where investments need to go—further upstream—because, as you rightly say, when things don't work in the system, the hospital is the place of last resort. We do believe that those investments are important and that we need to change the system to deliver more care outside of hospitals.

What our concern at this juncture is, though: As much as that reform is needed, we cannot have a destabilized system while we are reforming. That's why the call for increased inflationary funds for hospitals during the transitional period is so important.

Ms. Catherine Fife: At the very least.

Mr. Anthony Dale: At the very least, yes.

Ms. Catherine Fife: Because the CEO of Windsor Regional said he can't cut any more without seriously hurting people who are being served by that hospital.

Mr. Anthony Dale: What we have to keep a very close eye on is the health system's overall capacity. The hospital sector has very high occupancy levels. The hos-

pital sector also has about 14% of its patients defined as alternate-level-of-care: They've finished their time in hospital and they're ready for discharge to another, more clinically appropriate, setting, but for a variety of reasons, including capacity, we can't transition them out. As we work to implement and put health system restructuring into effect, we've got to make very, very sure that the system has that stability over that short-term period, because the capacity is so tight.

The Chair (Ms. Soo Wong): Okay, gentlemen. I'm going to stop here. Mr. Noel, before you leave, I just want to, for the purposes of Hansard and the committee—your position is the board chair for the Ontario Hospital Association, because there's lumping in with you as the CEO of the Pembroke hospital. They're two separate, right?

Mr. Pierre Noel: That's right.

The Chair (Ms. Soo Wong): You're the board chair of the Ontario Hospital Association and the CEO—because it's lumped together. I said to the Clerk, "You cannot be the chair and the CEO of a hospital." That's a little conflict of interest.

Mr. Pierre Noel: I'm like Superman. I do both.

The Chair (Ms. Soo Wong): Okay; two different positions. So just for the purpose of the committee, Mr. Noel is the board chair of the OHA and the CEO of Pembroke hospital. Thank you for that clarification. Thank you for your presentation and your written submission.

Mr. Pierre Noel: Thank you for your time.

ONTARIO ASSOCIATION OF CARDIOLOGISTS

The Chair (Ms. Soo Wong): The next group before us is the Ontario Association of Cardiologists. I believe it's Mr. Swan, president—Dr. Swan? Good afternoon, sir. I think we saw you last year, if my recollection is correct.

Good afternoon, Dr. Swan. Welcome. As you know, you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from the government side. You may begin any time. When you begin, please identify yourself for the purpose of Hansard.

Dr. James Swan: First of all, thank you on behalf of the Ontario Association of Cardiologists for the privilege of coming today and explaining what's happening in cardiology. As you sit around the table today, you know that the number one killer in Ontario is actually heart disease. Congestive heart failure is the most expensive disease that we treat. The majority of these patients often end up in the emergency department. When they go to the emergency department, the cost rises. We want to try to keep these patients out of the emergency department.

Cardiologists are doctors who treat cardiac disease, and they're experts in the treatment of cardiac disease. We deliver thousands of services throughout this province, each day, whatever time it is, 24/7/365. Yet, within the last year, the Liberal government has made, on three

occasions, cuts to the fees that are paid to cardiologists. This fee cut not only applies to other physicians, but disproportionately is affecting cardiologists. As you know, there's a 4.45% cut on the global billing cap to all Ontario physicians. But what this government has done is, it has cut the payment for services that cardiologists provide to the heart failure patient—the E078 code; some of you may be familiar. When you look at some of the additional cuts to non-invasive cardiac testing, it totals 25% when you add the 20% to the 4.65%. We feel that this is very unfair.

This is poor health care policy and poor fiscal policy. It's poor health care policy because the cuts have forced cardiologists to scale back the outpatient services they provide, thereby reducing patient access to community-based cardiac care. These cuts have fundamentally undermined Ontario's outpatient cardiac infrastructure, and, as we speak, it's headed for the brink unless something happens. This infrastructure is something that cardiologists partnered with government on—outpatient infrastructure, I'm talking about now—over the last 20 years so that patient care could be delivered much closer to home.

It's poor fiscal policy. As these community-based cardiac services recede, cardiac patients must now go to the hospital for care, which is more expensive to deliver in the end.

We can't battle Ontario's number one killer with continued, unilateral, systematic government cuts to cardiology physician services. With this in mind, the Ontario Association of Cardiologists urges the Ontario government to use the 2016 Ontario budget to aggressively fight Ontario's number one killer by restoring funding to Ontario's crucial cardiac outpatient care infrastructure and working with our organization to ensure that patient access to cardiac care, in these uncertain economic times, is protected and not jeopardized in the future.

1600

You might wonder who the OAC is. The OAC is a voluntary professional organization of the cardiologists in Ontario. We represent the majority of cardiologists, whether you work in the academic or community environment. Our goal is to protect the current high standard of cardiac care that we deliver in Ontario, to protect the patient, but also to make sure that the cardiologist who is delivering these services is fairly remunerated for the services.

You might ask why the Ontario Medical Association is not here arguing for the patient. If you look inside the structure of the Ontario Medical Association, you will find that the financial resources and the infrastructure are not there to protect the cardiac patient. That's why we exist outside the Ontario Medical Association.

The Ontario government has promised to balance the budget by 2017-18. According to the most recent plan, the government will run a deficit of \$7.5 billion in 2015-16 and \$4.5 billion in the following year. We at the OAC agree that the government must live within its means. We support a return to balance as soon as possible.

What we don't support, however, is the elimination of the government's deficit on the backs of cardiac patients,

many of whom are sick and vulnerable, and also on the backs of hard-working cardiologists in Ontario.

Just to highlight the cuts: The cuts for the elimination of E078 mean that the complex heart failure patient—and many of you in the room need to understand what a complex heart failure patient is. These are people who require expert care in the community to keep them out of the hospital.

You cut that code for the doctor to look after the cost, so these people are headed back to the emergency department; more dollars are spent unnecessarily.

You cut the fees for the delivery of non-invasive cardiac services, nuclear cardiology and echocardiography so we can make the diagnosis and manage the patient: 20%. Add the 4.65%, 25%. That infrastructure that we worked with you to develop over 20 years is decaying.

The across-the-board cuts to physician services: We as physicians, as a whole, feel it's unfair.

If you look at your cuts to date and where you're headed with your budget, our estimates are you're going to have to come back and cut more services. We think, as cardiologists, you're going to single us out again disproportionately to other physicians.

Minister Hoskins has called the government cuts to physician services a "modest reduction." I challenge you, Minister Hoskins, to say 25% is a modest reduction. If I cut your salary by 25%, I don't think you would agree.

The minister claims that the government is not actually reducing physician services, but increasing them by 1.25%. Remember that each year, the population of Prince Edward Island moves to Ontario. We're asked to look after those people without any increase in funding. So you can see when you do the math that the minister, I think, has it wrong.

Cardiologists add tremendous value in this province. We save people's lives every day, 24/7. When you meet us in the emergency department, within minutes sometimes we're in the process of saving your lives. Otherwise, you meet us in other places and we improve the quality of life for our cardiac patients.

Cardiologists, whether you work in the community or in the academic environment, are small business people and we have to pay our overhead. When government talks about income, you talk about gross amounts; you don't talk about overheads. Our overheads are between 35% and 40%.

Just to highlight for you, in the last seven years, for a regular staff person working in our clinic or in our office environment, their salaries have doubled. We've had to eat that amount. We have to pay for the computers, the medical supplies, the medical equipment, our office insurance, our rent and our service contracts, in addition to continuing medical education. So when you think of doctors' income and cardiologists' income, it's not the top number; you have to look at the bottom number and then you have a realistic idea. Unlike independent businessmen in the community, we can't change our fees; the legislation does not allow us. So we're fixed in this particular situation.

Cardiologists, as I said to you before, add tremendous value throughout this province. Many of you have had a friend or maybe a relative who has appeared in the emergency department with an acute infarct, and within minutes we have you in the lab, we have an artery open, and we save your life. Sometimes people come to us and we actually think they're dead; we take them into the lab, we open up an artery, and, amazingly, the heart starts to beat and they start talking to you. This is the kind of work we do every day.

We also take complex patients who can't walk 10 or 15 feet, and with new procedures—we give them special pacemakers, and we have many of them get back to almost normal lifestyles. We are a very hard-working group and we're committed to our patients, but we can't continue to suffer these cuts any longer or we won't be able to deliver the services in the community.

Again, just to highlight for you what we'd like: There are two priorities. Number one is to get rid of the cuts that you've given us in the last year to cardiology services, the cuts to the congestive heart failure patient and the cuts to the non-invasive testing. You need to restore that funding for the E078. We did a study and we went and tried to work with government. We brought to you a solution. Do you know that if you keep a simple heart failure patient out of hospital you save \$12,000, and if it's a complex case it's a minimum of \$42,000?

The Chair (Ms. Soo Wong): Dr. Swan, can you wrap up?

Dr. James Swan: Yes, I can.

The Chair (Ms. Soo Wong): Thank you.

Dr. James Swan: In conclusion, what we're asking for is the government to care about cardiac patients and to take action as I've outlined. Thank you.

The Chair (Ms. Soo Wong): I'm going to turn to Mr. Milczyn to begin this round of questioning.

Mr. Peter Z. Milczyn: Thank you, Dr. Swan, for coming this afternoon and taking time out of your practice and your personal life. We do certainly appreciate the hard work you do for all of us and our families every day.

I wanted to ask you a few questions around the use of new technologies in practice. I've seen some figures over time about the increase in costs that relate to new medicines and new technologies; and that obviously has an upward pressure on our budget. I've been told that in the realm of cardiac care, there's been an increased use of things like cardiac MRIs and other technologies. It's not to say that we don't want progress and we don't want the best that we can for patients, but has there been an assessment of patient outcomes versus increased reliance on new technologies and costs to see whether we are being as effective as we can with scarce resources?

Dr. James Swan: I think in Ontario we haven't done this study, but it's been done elsewhere in the world. To give you a very simple example, you could take a person with a hypertrophic cardiomyopathy, and Toronto is—

Mr. Peter Z. Milczyn: Could you just explain what that is?

Dr. James Swan: Well, I'm just going to explain it to you. A hypertrophic cardiomyopathy is someone who is born with a congenital abnormality of the muscle of the left ventricle. Toronto is a world leader in this particular area. What we've been able to do with MRI is we've been able to better risk-stratify those patients so that we can determine what their outcomes are going to be, and also then tag the appropriate mechanical devices that those people may need as they go forward. It allows us to make new diagnoses and better understand how to manage that patient.

One of the things that we have in Ontario—and your government supports it—is a program called Choosing Wisely. What Choosing Wisely says is that you should do the right test, at the right time, on the right patient, using the right equipment and for the right reasons. I think that's how cardiologists work each day. It doesn't matter which technology we use; whether it's non-invasive or whether it's invasive, we try to do the right thing each day.

One of the things that you have to do—and you're quite correct: How do we marry these technologies forward? We have guidelines, and we practise evidence-based medicine, and each of the doctors in cardiology that I know, that's how we practise. If the evidence says that you need this, then we're going to get it for you.

1610

The wait time for some of these tests is very long. Sometimes what happens with the wait time—sometimes not-so-good things happen while the wait time is there. But then, when we get the test, often we can change dramatically how that patient is managed in the future. These new technologies have helped us tremendously.

Mr. Peter Z. Milczyn: I understand that in your particular specialty, there's something called technical fees that you're paid, and most other specialties don't have them. Could you explain that?

Dr. James Swan: The technical fee is the fee that the doctor or the lab running the test receives, to operate that particular service. It covers the cost of the equipment. It covers the service contract. It covers the technicians involved who are generating the report. All of those things, it covers. That's what the technical fee covers.

If you go back and look at technical fees, there hasn't been any increase in technical fees in over 20 years. So when you look at people trying to provide these services, whether it's in a hospital or outside—remember, the hospitals need the outpatient services, to help support providing the non-invasive testing. In the community, the community cardiologist's office needs the support of those technical fees to go forward, as well, and keep those services present.

The infrastructure that we have for testing in Ontario is something we've built up over the last 20 years. One of the things I'd ask you to pay attention to is a new document called the Standards for Provision of Echocardiography in Ontario. As of the 1st of April of this year, all the echo labs, whether they lie in the hospital or outside the hospital, will fall under those guidelines. Those

guidelines are a more stringent access to the testing. We as cardiologists think that that's a good thing, and that's something we worked together with your government on, in a positive way.

For nuclear cardiology, there are standards in place. In the other non-invasive testing, where there aren't standards, we will work to put the standards in place.

The thing I want to impress most on you today is that for the heart failure patient, that very vulnerable heart failure patient, the complex patient, your government is ignoring the care. We have data. You want data; we can provide you with data. Since you cut the E078, those patients are showing up in the emergency department more often.

The Chair (Ms. Soo Wong): Dr. Swan, thank you for your presentation, and thank you for your written submission.

ONTARIO LONG TERM CARE ASSOCIATION

The Chair (Ms. Soo Wong): The next group before us is the Ontario Long Term Care Association. I think the Clerk has your written submission to give to the committee.

Welcome. Good afternoon. You have two people here. We only have one name: Ms. Chartier. Can you please introduce yourselves for the purposes of Hansard when you begin? You have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from the official opposition party. You may begin any time. Welcome, again.

Ms. Candace Chartier: Thank you. Hello. My name is Candace Chartier, and I'm the CEO for the Ontario Long Term Care Association. Also here with me today is our association's board chair, John Scotland. We want to thank you very much for taking the time and having us here to present our recommendations for the 2016 Ontario budget.

It wasn't long ago that the daily news was full of stories around hospital hallways being cluttered with people; people waiting too long to get their hips replaced; or about the chronic shortage of family doctors making it nearly impossible for families to get care. However, as a result of new government investments, a genuine willingness by providers and administrators to think creatively, and, most importantly, by making decisions with patients at top of mind, change happened.

These examples are proof that if we pinpoint the problem and collaborate to implement a solution, we can provide better care. This is what I want to talk to you about here today.

Ontario's health care system and, in particular, long-term care, are facing rapid transformation. Bottom line: The seniors we're caring for today are not the same seniors we were caring for even three years ago and more than 10 years ago. Despite this challenge, Ontario's long-term-care homes continue to provide care.

To give you a real sense of what they have been up against, between 2010 and 2014, the cost of providing

care in our homes rose by almost 14%. Unfortunately, the funding from government to support this care just hasn't kept pace. In fact, the gap is \$55 million. This funding shortfall really can't continue. It has to change if we're going to keep up.

We have four recommendations outlined in our written submission in front of you, and today I would just like to walk you quickly through each of them.

Too often, I think we dehumanize the real-life experiences we see every day on the floor by talking about patients in terms of numbers and percentages. I want to shift the focus back to the examples of our residents' experiences that you see in front of you.

Let's talk about Robert. Robert is 74 years old. He suffers from bipolar disorder and early-onset dementia. These mental health conditions are serious and they make him extremely aggressive, even violent at times, putting the staff and the long-term-care residents who are in his room at risk. In his long-term-care home, Robert is living in a four-bed ward with a single bathroom, and the nursing station is so close that he's woken up several times a night. We can't blame Robert for the conditions that make him confused and angry, but it's also not fair to put the other residents and staff at risk. So what can we do?

By creating an environment that more closely resembles what it looked like when Robert lived at home, we can reduce Robert's triggers and aggression.

Updating long-term-care homes to modern design standards would eliminate the four-bed wards. Even incorporating privacy walls or a bathroom that's located in the middle of the room, as seen in the shared accommodations in updated homes, would really help residents like Robert who need that privacy. Modern designs for homes also put nursing stations and high-traffic areas away from residents' rooms, reducing the amount of noise heard by them. We can all relate to the difference a good night's sleep makes on our mood. Imagine the difference for someone with multiple diagnoses, like dementia and bipolar disorder.

Today in Ontario, there are 30,000 seniors living in 309 homes that were built to design standards dating back to 1973. These homes need to be renovated or rebuilt. Last year, the government did announce new funding to start to rebuild these homes—a really important step in the right direction and long overdue. But the program doesn't go far enough to address the myriad challenges that the homes are facing. We need the program enhanced so that more homes can start the long process of rebuilding. We understand that there's no way they can all be done at once, but the seniors like Robert living in these outdated beds need us to do better. With the right investments, policy changes and collaboration, we can provide better seniors' care.

I now want to talk about Mary. At 88, Mary arrived at the long-term-care home needing 24/7 care following a renal failure diagnosis, which also caused her dementia to take a turn for the worse due to her unfamiliar routine involving more appointments with new nurses and new

doctors. With the help of her niece, Mary found a home that implemented a new program that provides additional supports for residents with dementia, called Behavioural Supports Ontario, or a BSO team. The home is also one of just a few that offer peritoneal dialysis as a part of a limited pilot program.

The BSO team worked quickly to develop a plan to reduce Mary's aggressive behaviours and reduce the medications she was required to take. By spending extra time with her, the team also noticed that one of the PSWs reminded her of her niece, so they arranged to have that PSW care for her as much as humanly possible for her bathing and toileting. To keep Mary comfortable and feeling at home, they also arranged to get her dialysis treatment done in her room.

Thanks to the work of the BSO team, after just four months, Mary's aggressive behaviours were virtually eliminated. The medical director was also able to take Mary off her psychotropic medication entirely, and her niece noted that Mary is her old self again, smiling and laughing. Without the BSO team and the in-house dialysis unit, she would likely be sitting in a hospital, as you have heard today, or be transferred regularly to seek more costly treatment.

The reality is that there are thousands of Marys across Ontario without access to this specialized care or the additional support from a BSO team. Some 62% of residents living in long-term care suffer from Alzheimer's or some form of dementia. Almost half of Ontario's long-term-care homes also reported serious behavioural incidents, often having to call police. We know that by having that in-home BSO team, we can manage and sometimes even eliminate these problems, yet only a third of the homes have access to the special funding.

Evidence does show that a small investment in a BSO team improves safety for everyone in the home, and we're talking a 0.5% investment for three years in a government program that we already know is a success. It reduces the need for medications and, most importantly, improves the quality of life for our residents.

1620

Now let's talk about Martha. Martha is 92. She has been married to her husband, Frank, for 59 years. They have three children and five grandchildren and have lived in a small Ontario town for their entire lives.

Martha suffers from COPD, diabetes and heart disease. Since she contracted pneumonia, she now needs 24-hour nursing care for her lung treatment regime. The best option for Martha would be in a long-term-care home in her local community, so she can stay close to her family, but the small home in her town doesn't have the funding to provide her with the equipment and services she needs.

As a result, Martha can't be discharged from the hospital and has been categorized as an ALC patient. She'll either end up in a long-term-care home outside of her hometown or she will stay in that hospital indefinitely.

If additional funding was provided to the home in her community, she could be close to her husband, her kids and her grandkids, and it just makes sense for everyone.

It might surprise you to learn that it even makes sense for our collective pocketbooks. If Martha stays in the hospital, it costs the health care system about \$580 a day, not to mention taking up a bed that could be better utilized by someone who really needs to be in the hospital. In a long-term-care home, it costs the system less than half of that: \$190 a day.

There are almost 70 long-term-care homes in small or rural communities with populations of less than 10,000. These homes are often the community's centre, a major employer, and will eventually provide care for that community's seniors. They're also important partners to regional hospitals when it comes to addressing the ALC residents.

These smaller homes are trying to manage the same growing demands of current and future residents, except they don't have the same administrative and care resources that larger homes do. Specialized funding for nursing and personal care support, infrastructure and administration would allow these homes to take on more ALC patients, freeing up hospital beds for those who need them most. By working together, we can provide residents like Martha, who want to stay close to their families, with the right care, while also saving the system millions of dollars.

Lastly, I want to talk about Rahim. Rahim became a PSW after volunteering at his grandmother's long-term-care home during high school. He has seen first-hand how residents arriving in long-term care have become sicker, frailer and in need of more hands-on care than when he started even five years ago.

Rahim is passionate about his job and, with the help of his employer, has been taking extra courses to improve his training, so that he is better able to care for the residents he cares for. Yet despite all his training and extensive experience, Rahim is still unable to administer drugs to residents. This just isn't efficient. He's also spending more and more time filling out forms in order to meet the ministry's regulatory requirements, again taking him away from the residents. This, too, is not efficient.

Rahim is constantly rushing from one incident to another, apologizing to residents and their families who are waiting for help, or because he has to leave a job with only half that job done.

The Chair (Ms. Soo Wong): Can you please wrap up? Thank you.

Ms. Candace Chartier: Yes. Basically, what I'd like to say is that, as a comparison, Ontario's long-term-care homes have lower levels of staffing than jurisdictions across Canada and internationally.

Like many others, my parents are reaching an age where they're relying more on the health care system. I think that by improving our home care in Ontario—these investments are critical so that people can stay at home as long as possible. But let's be clear: The people coming into long-term care—

The Chair (Ms. Soo Wong): Okay. When I say "wrap up," it means wrap up. I'm going to turn to Mr. Barrett.

Mr. Barrett, you may begin this round of questioning. Thank you.

Mr. Toby Barrett: Thank you, Chair. Thank you, Ontario Long Term Care Association. In priority 1, you talk about—I guess there's something like 30,000 beds that are at the 1973 standard. I know that a number of years ago, 20,000 new long-term-care beds were constructed, but has plan B started yet? I know that it has been maybe 13 years or so, since the last big funding announcement.

Ms. Candace Chartier: The recent announcement that was announced last fall—23 applications did come into the ministry, and six have been approved, out of the 309 homes that have to be redeveloped.

Mr. Toby Barrett: It's 309 homes? Many of those are privately owned or are very small facilities?

Ms. Candace Chartier: Our association represents all homes. It's a mix of municipal, for-profit, charitable and not-for-profits.

Mr. Toby Barrett: You mentioned the lengthy, daunting licensing process. So there's difficulty trying to assemble additional beds to build perhaps a larger facility? Is that what you're referring to here?

Ms. Candace Chartier: That's one of our challenges. The government has said, "No new beds in the system," so that makes it very, very difficult for smaller homes, which represent about 40% of the homes across Ontario. You can't possibly rebuild a small home—and we categorize that as 96 beds or less—in the current program.

Mr. Toby Barrett: Yes. Priority 3: You mentioned, with the smaller facilities' or rural facilities' limited administrative resources—what is being done to accommodate them? I see that with small hospitals a couple will share a board of governors or will share an administrator. Do we see that with the smaller homes?

Ms. Candace Chartier: No. John can jump in here—but the smaller homes: We've done our analysis. About 30% of the administrator/director of care, which is usually a joint role in the small homes, is taken up by administrative burden with all of the different administrative policies that they have to meet with all the different stakeholders.

Mr. Toby Barrett: Yes. Priority 4: You mentioned the problem with restrictions in legislation, where, for example, a registered nurse is not able to delegate certain duties and other staff are not able to delegate to—I'm not sure what the term was—an assistant-type level. So that requires a change in the law?

Ms. Candace Chartier: Years ago, they put in a 24/7 RN requirement, which has impacted especially the small homes. You don't have the same resident population in all the homes across the province. So just doing a sweeping finding like that doesn't make sense.

What we're saying is, allow the RNs, the RPNs and PSWs to all work to their full scope of practice. RPNAO did a recent survey that shows that RNs and RPNs in long-term care are doing the exact same work. So what we're saying is, ease up that legislation because your RPNs today can do the majority of skill set that the RNs

are doing. PSWs in the community give medications; PSWs in retirement homes give medications.

I used to teach family members to give medications and injections in case I couldn't get out when I worked in the community.

What we're saying is, in such a heavily legislated environment like long-term care, where you have all of these regulations you have to meet on a daily basis, why not let people work to their full scope, because you have such a strong, multi-disciplinary care team?

Mr. Toby Barrett: So it seems that the problem isn't coming from various governing colleges or bodies; it's coming from either Ontario government legislation, regulation or both.

Ms. Candace Chartier: The legislation doesn't meet the requirements of HPRAC, the health professional regulatory—they don't line up. If we went with HPRAC, we would have more flexibility.

Mr. John Scotland: But to be clear, it's just a change in long-term-care home regs that need to be made.

Mr. Toby Barrett: I'm sorry?

Mr. John Scotland: It's just a change to the regulations for Ontario long-term-care homes that would enable that.

Ms. Candace Chartier: You don't have to open up the whole act.

Mr. John Scotland: You don't, and you don't have to look at the college; it's already permitted within their scope.

Mr. Toby Barrett: What was that last phrase? HTRAC? HPRAC?

Ms. Candace Chartier: The Health Professions Regulatory Advisory Council.

Mr. Toby Barrett: Something like that, yes. All right, then. Thank you.

The Chair (Ms. Soo Wong): All right. Thank you very much for your presentation as well as your written submission.

Ms. Candace Chartier: Thank you.

UNIFOR

The Chair (Ms. Soo Wong): The next group before us is Unifor. I think the Clerk has some written submissions.

Welcome, Ms. Fortier. I believe you have your colleague here. As you've probably heard, you have 10 minutes for your presentation, followed by five minutes of questioning. This round of questioning will be coming from the official third party. You may begin any time. When you begin, can you please identify yourself as well as your colleague for the purpose of Hansard?

Ms. Katha Fortier: Good afternoon. My name is Katha Fortier. I'm the Ontario regional director for Unifor. With me today is one of our researchers, Mike Yam.

Unifor of course welcomes the opportunity to share our views with the committee today regarding the pro-

posed Ontario budget. We thank you very much for the invitation to appear.

Unifor is Canada's largest union, working primarily in the private sector of the economy, but about one in six Unifor members works in the public sector. We represent 310,000 members working in at least 20 different definable industries, but over half of our members live and work in Ontario, making Unifor one of this province's largest and most important trade unions. Our presentation will be abbreviated from our written submission that you're receiving so that we'll have time to answer your questions.

1630

This budget is tabled at an important but hopeful moment in Ontario's economic history. We have a new federal government that is committed to changing the way things are done in Ottawa, including how they work with the provinces. After many difficult years of economic times, including a sustained contraction in our manufacturing base and the shift towards more precarious, part-time and insecure work, there's an opportunity to move the province's economy towards a more expansive and positive phase. The province is in a better position to make this economic transformation in the wake of the strengthening US economy and the lower Canadian dollar. That being said, however, the economic recovery in Ontario is still inconsistent and fragile, so it's critical that the provincial government play a significant and constructive role in strengthening that expansion.

First, this requires a focus in the budget to restore and enhance much-needed public services and programs that reduce poverty and support healthy communities. We've seen hospitals struggling to keep up with patient needs because of almost a decade of funding cuts. Ontario hospitals have the lowest per capita funding in all of Canada, and this has resulted in service cuts and the loss of good jobs. That means, of course, that patient care ultimately has suffered. The cuts to hospitals are part of a larger picture where our public services continue to deteriorate from persistent underfunding. Ontario needs investment in public programs to ensure that everyone has equal access to public, high-quality education, health care, child care and social services. Investment in public programs not only improves the lives of Ontarians directly through the services that they rely on but creates good jobs and ensures that more Ontarians can fully participate in the economy.

The government's initiatives on gender equity and labour law reform are a good step towards addressing inequality in our society. However, it's important to acknowledge that the cuts to public services disproportionately impact certain groups. I dare say that Anthony Dale, earlier, who presented from the Ontario Hospital Association—he called them workforce cuts, but essentially those are people losing their jobs, and mostly women losing their jobs, because that's who works in our hospitals.

The government also needs to look at ways to encourage private sector growth in investment in the province.

In the manufacturing sector, the current economic conditions present opportunities for growth. Strategic investment by this government in Ontario's advanced manufacturing sector, including auto, aerospace and petrochemical, can help create jobs and take advantage of all of the skills that Ontarians possess. Unifor is calling on this government to be bold: focus on strengthening services, creating jobs in the public and private sector, and growing the economy through enhanced government investment.

Ontario has rightfully acknowledged the importance of expanding and renewing public infrastructure, as reflected in the last Ontario budget. Unifor supports the government's plan to address gaps in transportation, health care and education infrastructure. While we all agree that new investment is important, new infrastructure should also be developed without jeopardizing the long-term financial health of the province. Unifor believes, like most Ontarians, that the decision to sell 60% of Hydro One is a mistake. Ontario's own Financial Accountability Officer estimated that the province will eventually lose \$500 million in revenue each year as a result of this sale. For the average Ontarian, the sale of Hydro One will lead to increased costs and less regulation over the system. In the long term, the loss of millions of dollars in revenue annually will have a detrimental effect on public services and on infrastructure.

In the same vein, the government should rethink its strategy to sell off other public assets, including prime real estate assets. In general, we should be taking a long-term and fiscally responsible approach for financing infrastructure. Unifor is calling on the government to reverse the sale of Hydro One and cancel plans to sell off public real estate assets in order to pay for infrastructure. There are better and less harmful options to fund infrastructure investments than to rely on short-term revenue from asset sales. The short-term gain simply is not worth long-term pain.

With the obvious need for enhanced investment in public programs and infrastructure, we hope the dialogue shifts towards adopting new revenue measures to restore fiscal balance in the province. Among the options for new revenue measures is a general corporate tax rate. Recent studies have shown that cuts to the corporate tax rate don't correlate with greater business investment. During the recession, companies in Canada hoarded their cash, and economists agree that these companies were not doing enough to create jobs and encourage growth through investment. Since Ontario's corporate tax rate was reduced from 14% to its current 11.5%, we're now among the lowest in Canada. The result is that the province continues to lose over \$2 billion in revenue annually while not stimulating the private sector investment that is needed to grow our economy.

Provincial revenue can also be generated by targeting capital gains, such as income in the form of stocks and dividends. These gains are taxed at only half the rate of personal income, and, of course, most capital gains savings are realized by very wealthy individuals.

Unifor is calling on the government to bring fairness to the tax system by considering the options we've outlined. These changes wouldn't impact low- or middle-income Ontarians, but would help the province's revenue gap and enable further investment in services and infrastructure.

On the issue of retirement security, Unifor has been encouraged by the direction the government has taken. Ontario's call for the federal government to enhance the CPP falls in line with the new federal government's commitment. We encourage the government to prioritize working with the federal government and other provinces to expand the CPP.

However, it's clear that the province is going to move ahead with the ORPP in 2017, regardless of the government's timelines. If introduced, the ORPP should feature elements that mirror the CPP, which has excellent features and has gained the widespread support and confidence of Canadians. The CPP is a model that works.

The other benefit of modelling a plan on the CPP is that it could easily be rolled into the CPP should the federal government make those enhancements.

Again, I would like to thank you for your interest in our views and I would welcome any questions or comments.

The Chair (Ms. Soo Wong): Okay. I'm going to turn to Ms. Fife to begin this round of questioning.

Ms. Catherine Fife: Thanks very much, Katha, for coming in today, and thanks for raising the issue around fair taxation. Across the province, consistently, there's an acknowledgment by various groups of all stripes that the government has a revenue problem. I mean, they have some waste issues and there's obviously an economic cost to not actually being strategic about where investment happens, but the taxation piece is really key.

You mentioned the possibility of increasing the corporate tax rate. Obviously, the low tax rate—Ontario has a lower combined corporate tax rate than the state of Alabama. So there is obviously room for a modest increase, and you correctly cite that.

Because health care has been the predominant theme as we've moved around the province, I want to talk a little bit about the privatization of health care and get your feedback on where those health care dollars are going. The Auditor General found that almost 39% in CCACs was going to administration, bureaucracy and profit. Do you want to talk about the outsourcing of those jobs and those services?

Ms. Katha Fortier: Well, first of all, I think that when the service is delivered by a hospital, it falls under the auspices of the Canada Health Act. Most of the hospitals are unionized and the people who work there—mostly women, probably over 80%—have pretty good jobs. They have a living wage. They make benefits. They have a pension plan that they can retire on. It's a good, stable workforce, particularly for women in the province.

What we see as services are privatized and they move out to the community is that the reality is that the people who are working those jobs are just going to make less

and less. Somebody is making a profit, and I'm not quite sure—I know the Ontario Health Coalition has done a lot of studies.

I lived in Windsor a few years ago and they opened a colonoscopy clinic that was owned—I believe it was some form of not-for-profit—doing a lot of the colonoscopies that were previously done in the hospital. I took a friend there. While I was waiting to pick him up, I asked the people who worked there, the nurse and the support staff that were responsible for cleaning the equipment and sterilization—of course, with colonoscopy equipment, improper sterilization will kill you—and they were literally making half of the wages that they would have made in a hospital, poverty wages, barely over minimum wage. Even the registered nurse was making under \$20 an hour. Nobody had any benefits. Nobody had any pension plan of any kind.

These are the jobs that we're going to create when we move all of those services out of the hospital. It's really not going to be good for anybody because, quite frankly, if you're in a position to be in that job and you're making \$12 an hour, you're going to be looking for the next job and you're not going to be staying in that position. Experience is a good part of the roles that people play in the health care system—

Ms. Catherine Fife: We have some evidence from the Auditor General, as you rightly point out, that privatization does not lead to better-quality health care.

1640

Ms. Katha Fortier: No.

Ms. Catherine Fife: And obviously, it results in less-paying jobs.

Thanks also for raising the issue of the auto industry and the need for the advanced manufacturing sector to be strengthened. But the cost of energy impacts the advanced manufacturing and the auto industry. Did you want to comment on the sell-off of Hydro One? Obviously, you've raised some concerns about it—but it will lead to higher energy costs. What do you think the impact will be on the economy as a whole?

Ms. Katha Fortier: We firmly believe that the sell-off of Hydro One will raise costs. I don't think that manufacturing in particular—I think that industry are big users of energy. Quite frankly, so are hospitals. So are all of these other institutions where people work.

It's really going to have a huge effect on the manufacturing industry. In fact, we've heard Chrysler talking about that in Windsor, about the cost of energy and what that's going to do to them.

Mike, do you have anything to add on the hydro—

The Chair (Ms. Soo Wong): Ms. Fortier, I need to stop you here. I'm so sorry.

Ms. Catherine Fife: Thanks very much.

The Chair (Ms. Soo Wong): Thank you for your presentation and your written submission.

Ms. Katha Fortier: It went by so fast.

Ms. Catherine Fife: I know.

The Chair (Ms. Soo Wong): Yes, time is very short when you come before this committee. Thank you.

TRILLIUM AUTOMOBILE DEALERS ASSOCIATION

The Chair (Ms. Soo Wong): The last witness before the committee today is the Trillium Automobile Dealers Association: Mr. Frank Notte. Thank you. The Clerk is coming around with your written submission.

Mr. Notte, you can begin any time. When you begin, please identify yourself for the purposes of Hansard. You have 10 minutes for your presentation, followed by five minutes of questioning. In this round, the questioning will be coming from the government side. You may begin any time.

Mr. Frank Notte: Good afternoon. I'm Frank Notte, the director of government relations for the Trillium Automobile Dealers Association. Since 1908, our association has been the voice of Ontario's new car dealers. We represent one third of all new car dealers in Canada, who in turn sell approximately 40% of all new cars nationwide.

We are also proud to produce the Canadian International AutoShow in Toronto, Canada's largest consumer show. This year, I encourage you to visit the auto show, which runs from February 12 to 21.

Today, I'd like to talk about Ontario's automotive retail sector and what the province can do to strengthen it.

I know when most people speak of auto, they immediately think of the manufacturing side of the business, and it's no surprise. Ontario is home to the assembly plants of Honda, Toyota, Ford, General Motors and Chrysler, and that's something we're all proud of. But when people like myself or those on the retail side speak of auto, they also include Ontario's 1,000 new car dealers, who employ 49,000 people and who generate \$29 billion annually in sales and service.

Ontario's auto sector policy comes up short after the vehicles leave the assembly plant. Too often, the retail side of the auto sector is an afterthought among provincial policy-makers. The most recent example was the province's announcement of a Red Tape Challenge, with a focus on auto parts manufacturing, excluding the retail side of the auto sector. So it's time to change that mindset, and I'm here to offer some solutions to achieve that goal.

Our first recommendation for budget 2016 is to increase consumer protection by regulating advertising placed by automobile manufacturers. In 2010, the Motor Vehicle Dealers Act was updated and established the strongest buying rights in Canada. One major reform included changing the advertising regulations to include better disclosure requirements and all-in pricing. "All-in pricing" means that dealers must include the freight charge, dealer preparation charge and other miscellaneous add-on fees in their advertising, so the only additional money that the consumer should expect to pay is the HST. All-in pricing better informs the consumer and allows them to compare vehicle prices more easily across dealers and brands.

However, the government chose to exempt advertisements placed by manufacturers from the Motor Vehicle Dealers Act. In other words, advertising placed by manufacturers is not subject to any advertising regulations.

On the one hand, the government proudly celebrates the benefits of all-in pricing and other advertising regulations that increase consumer protection, but on the other hand, it decided to compromise consumer protection by creating one set of rules for dealers and no rules for manufacturers.

For example, look at the two ads that I handed out, showcasing the exact same vehicle. One is placed by the manufacturer and the other is a dealer ad. Both these ads appeared on the same day and, ironically, in the same newspaper.

Now, you'd rather pay the lower price, I'm assuming. The problem is, you can't buy that car at the lower price, because it excludes the mandatory charges. Because the manufacturers aren't required to include all costs, they can advertise a lower price, a price for which the consumer cannot buy the vehicle.

Now, put yourself in the dealer's shoes. If a potential customer arrives in the showroom, shows you the manufacturer's ad and wants to purchase the vehicle, you are now forced to explain that manufacturers are exempt from the MVDA and that manufacturers don't have to advertise the all-in price. That's not a great starting point if you're a potential customer.

These two sets of rules create confusion in the marketplace. Quebec's all-in pricing rule applies to all consumer products, including vehicle manufacturing ads. Those who agree that some form of regulation is needed include the Ontario Motor Vehicle Industry Council, or OMVIC, Ontario's regulator of automobile dealerships and salespeople; the Used Car Dealers Association of Ontario, and at least three consumer groups, including the Consumers Council of Canada.

Our second recommendation is to pass Bill 152, the Cutting Red Tape for Motor Vehicle Dealers Act. Let me ask you: Do you like to stand in line and waste your time, knowing that whatever it is you want to accomplish can be done online and in minutes? I doubt it. In today's age we can pay our mortgage, renew our driver's license, order birth certificates and do many other things with the touch of a button on our smart phone. When it comes to dealers registering and licensing a vehicle for consumers, Bill 152 would do just that: It would cut the red tape of wasting time, money and energy to have dealership staff wait in line at a licensing office, or have them return to the office numerous times per day to license the vehicle.

If passed, Bill 152 would amend the Highway Traffic Act to allow registered motor vehicle dealers to do any of the following by electronic means: apply for a permit, number plates or a validation for a vehicle; apply for a new permit for a vehicle; apply for a used vehicle information package.

Basically, that means that upon completion of the sale or lease, the dealership can register the vehicle with the MTO and provide the permit, licence plate and validation

sticker at the dealership. Then the happy customer can drive off the lot that day, likely minutes after signing on the bottom line. No waiting in line, no more hoping the licensing office is still open if it's late in the day or on a Saturday.

Quebec is already doing this, and Ontario has the experience. In 2011, the province conducted a pilot project in two new car dealerships and by all accounts the pilot project was a success. Having received unanimous support during second reading, we hope Bill 152 will soon become law and strengthen Ontario's auto sector.

Our third recommendation is not to allow more municipalities the authority to impose a vehicle tax. Currently, the Ministry of Municipal Affairs and Housing is reviewing the Municipal Act and new municipal taxing powers are likely under consideration. In 2006, the city of Toronto was granted the authority to impose a personal vehicle tax, and we fear the ministry is considering extending the same taxing authority to all municipalities. The Minister of Municipal Affairs and Housing was asked about this issue in question period on December 10, 2015, and his response did not make it crystal clear to our association whether or not such a new taxing power would be granted to all Ontario municipalities.

On December 1, 2015, in the Legislature, the minister did confirm that the province would not permit all Ontario municipalities—other than Toronto, of course—to charge a municipal land transfer tax, and we're very concerned that a vehicle registration tax may be under consideration because, other than the land transfer tax, this was one of the new powers granted to the city of Toronto in 2006.

We're requesting that budget 2016 confirm, as the minister did with not expanding the land transfer tax, that Ontario municipalities will not be granted the power to impose a vehicle registration tax or a similar measure aimed at taxing drivers and vehicles.

Our fourth and final recommendation is to reform and start phasing out the Drive Clean program. Currently, a dealer must complete an emissions test prior to selling a used vehicle. This step does nothing to reduce pollution, especially if the automobile is still under manufacturer warranty and/or falls under Drive Clean's own seven-year exemption for newer vehicles. It only adds frustration to both consumers and dealers, wasting time and money.

Here's a real-life example: A dealer owns a 2015 model demo and a consumer wishes to purchase it. This demo is six months old and has only been driven 5,000 kilometres. The vehicle is still covered under the manufacturer's warranty and because of its age, it would otherwise not require its first emissions test until the year 2021. However, since the vehicle was registered to the dealer previously, the vehicle is deemed to be used. Therefore, an emissions test is required before selling the vehicle.

Even used vehicles that are three or four years of age must go through an emissions test before a dealer can sell it. Drive Clean's own rule says that the vehicle should

receive its first test at seven years of age. The question is: Why are dealers wasting time and money to test a vehicle that even Drive Clean expects to pass with flying colours? The province should not require Drive Clean tests on vehicles under seven years of age, mirroring Drive Clean's own rule.

1650

Further, the province should start make plans immediately to phase out Drive Clean based on the 2012 Auditor General's report, which found that "vehicle emissions have declined significantly... to the point that they are no longer among the major domestic contributors to smog in Ontario," and that 75% of the reduction in vehicle emissions was a result of better manufacturing standards and cleaner fuel, not Drive Clean.

That is why our association has also taken the position to eliminate the Drive Clean program, as has been done in BC and a number of US states.

We hope the committee sees merit in these practical solutions to bolster Ontario's auto sector. Thank you.

The Chair (Ms. Soo Wong): I'm going to turn to the government side for this round of questioning. Ms. Vernile.

Ms. Daiene Vernile: Thank you very much, Frank, for that very informative presentation. You made some interesting points. I want to ask you about a number of the things that you talked about, as well as ask you about other issues related to your sector.

You talked about Bill 152, the Cutting Red Tape for Motor Vehicle Dealers Act. If this goes through, tell me how that's going to change the way that you do your job.

Mr. Frank Notte: Right now, what happens if a consumer goes to purchase a vehicle is that the dealer would take the paperwork down to the licensing office and either wait in line for the next person to get through or drop it off and then return later that day or however quickly the licensing office can do it.

Under this program, what would happen is that the dealership basically becomes a licensing office. In other words, that person working at the dealership would take the information—the bill of sale, the insurance info, that kind of thing—and basically upload that to some kind of MTO database, therefore registering the vehicle without having to go to the ServiceOntario licensing office, for example.

Ms. Daiene Vernile: So it's going to be a lot more convenient for the car buyer. Do you think that your staff are going to mind doing the paperwork, though?

Mr. Frank Notte: At the beginning of the pilot project, one of the two dealerships did think that it would not be worth their while, but after the six-month pilot project, they did find that the convenience and the cost of setting up and taking some staff time away from other duties was ultimately a net benefit to the dealership, in terms of convenience.

Ms. Daiene Vernile: Okay. I want to ask you about electric cars. Recently, Ontario Premier Kathleen Wynne announced a \$20-million investment to install electric vehicle charging stations in key areas of Ontario. What's

your reaction to this and how do you think it's going to impact your industry?

Mr. Frank Notte: Well, I think that anytime there's an incentive to purchase a new car, if it makes it less costly for the consumer, it's a plus. I think the challenge will be, from the auto side and from the government side, to try and convince consumers about the benefit of driving an electric car, but also the benefit of making the car less expensive through financial incentives or maybe making the charging stations less costly for businesses or homeowners.

Ms. Daiene Vernile: Are you hearing from potential clients that maybe they don't want to get an electric car because they have this fear that they're going to be stuck somewhere and run out of fuel?

Mr. Frank Notte: Sure, that's one of the concerns. Whether that gains any merit in a cold country like Canada or not is beyond me to say. That is one of the common concerns we hear about.

Ms. Daiene Vernile: Okay. The price of gas now is relatively low compared to what it has been in recent years. How is that affecting your industry? Do you see people signing up for Hummers now instead of thinking about electric cars, because gas is so cheap?

Mr. Frank Notte: Yes. I think economists will say that when the price of gas goes down, people looking to buy a new car will look for a bigger car which might consume more gas than not. The stats for 2015 aren't in

yet, but I do believe that sales across all makes and models are up.

Ms. Daiene Vernile: One last thing that I want ask you about, which I know your association has commented on, is our recent legislation for distracted driving. The penalties are way up: \$490 if you're caught using one of these when you're driving—texting or calling. I've heard people say that this is too stiff a fine. Other people say that it's not enough and maybe it should be even tougher, because people are still using these while they're driving. What are your thoughts on that?

Mr. Frank Notte: I think the increase in fines and demerit points, in some cases, is worth its merit. Before the legislation came in, we conducted two or three public education campaigns about the problems you can have while driving distracted, so we were happy to see that the penalties were increased.

Ms. Daiene Vernile: I really appreciate your comments today and especially what you had to say about phasing out Drive Clean, and I'm going to pass that on to our finance minister. Thank you very much for being here today.

Mr. Frank Notte: Thank you.

The Chair (Ms. Soo Wong): Thank you very much, Mr. Notte, and for your written submission, as well.

Okay, ladies and gentlemen. I am going to adjourn the committee until tomorrow, 9 a.m. Thank you very much.

The committee adjourned at 1655.

Continued from back cover

Winery and Grower Alliance of Ontario.....	F-1200
Mr. Jim Clark	
Mr. Patrick Gedge	
Wine Council of Ontario.....	F-1202
Mr. Richard Linley	
Insurance Bureau of Canada	F-1205
Ms. Kim Donaldson	
Ms. Barb Taylor	
Mr. Ryan Stein	
Ontario Nurses' Association	F-1207
Ms. Beverly Mathers	
Mr. Lawrence Walter	
Ontario Hospital Association	F-1209
Mr. Pierre Noel	
Mr. Anthony Dale	
Ontario Association of Cardiologists	F-1211
Dr. James Swan	
Ontario Long Term Care Association	F-1214
Ms. Candace Chartier	
Mr. John Scotland	
Unifor.....	F-1216
Ms. Katha Fortier	
Trillium Automobile Dealers Association	F-1219
Mr. Frank Notte	

STANDING COMMITTEE ON FINANCE AND ECONOMIC AFFAIRS

Chair / Présidente

Ms. Soo Wong (Scarborough–Agincourt L)

Vice-Chair / Vice-Président

Mr. Peter Z. Milczyn (Etobicoke–Lakeshore L)

Mrs. Laura Albanese (York South–Weston / York-Sud–Weston L)

 Mr. Yvan Baker (Etobicoke Centre / Etobicoke-Centre L)

 Mr. Toby Barrett (Haldimand–Norfolk PC)

 Mr. Victor Fedeli (Nipissing PC)

 Ms. Catherine Fife (Kitchener–Waterloo ND)

 Ms. Ann Hoggarth (Barrie L)

 Mr. Peter Z. Milczyn (Etobicoke–Lakeshore L)

 Ms. Daiene Vernile (Kitchener Centre / Kitchener-Centre L)

 Ms. Soo Wong (Scarborough–Agincourt L)

Substitutions / Membres remplaçants

Mrs. Julia Munro (York–Simcoe PC)

Clerk / Greffier

Mr. Katch Koch

Staff / Personnel

Ms. Mercedes Lee, research officer,
Research Services

CONTENTS

Monday 1 February 2016

Pre-budget consultations	F-1155
Toronto and York Region Labour Council	F-1155
Mr. John Cartwright	
Ontario Health Coalition	F-1157
Ms. Natalie Mehra	
Ontario Coalition for Better Child Care	F-1159
Ms. Carolyn Ferns	
Canadian Centre for Policy Alternatives	F-1162
Ms. Sheila Block	
Canadian Federation of Students-Ontario	F-1163
Mr. Rajean Hoilett	
Mr. Faiz Ahmed	
Co-operative Housing Federation of Canada, Ontario region	F-1166
Mr. David Waters	
Ms. Simone Swail	
Canadian Taxpayers Federation	F-1169
Ms. Christine Van Geyn	
Conservation Ontario	F-1171
Ms. Kim Gavine	
Ms. Jo-Anne Rzdaki	
ACORN Canada	F-1174
Ms. Donna Borden	
Mr. Andrew Marciniak	
Ontario Federation of Agriculture	F-1175
Mr. Don McCabe	
Mr. Jason Bent	
Ontario Secondary School Teachers' Federation	F-1178
Mr. Paul Elliott	
Union Gas	F-1180
Mr. Matthew Gibson	
Ontario Confederation of University Faculty Associations	F-1183
Dr. Judy Bates	
Dr. Mark Rosenfeld	
Ontario Public Service Employees Union	F-1186
Mr. Smokey Thomas	
Colleges Ontario	F-1188
Ms. Linda Franklin	
Registered Nurses' Association of Ontario	F-1191
Mr. Kim Jarvi	
Investment Industry Regulatory Organization of Canada	F-1193
Mr. Andrew Kriegler	
Ontario Chamber of Commerce	F-1195
Mr. Scott Boutilier	
Ms. Katie Sullivan	
OPTrust	F-1198
Mr. Hugh O'Reilly	

Continued on inside back cover

